



**CITY OF MORGAN HILL**  
**COMMUNITY DEVELOPMENT DEPARTMENT, PLANNING DIVISION**

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**PLANNING COMMISSION**

**TUESDAY, MAY 26, 2009**

**CITY COUNCIL CHAMBERS**  
**CIVIC CENTER**  
**17555 PEAK AVENUE**  
**MORGAN HILL, CA**

**COMMISSIONERS**

CHAIR, SUSAN KOEPP-BAKER  
VICE-CHAIR, COMMISSIONER WAYNE TANDA  
COMMISSIONER H. GENO ACEVEDO  
COMMISSIONER ROBERT L. ESCOBAR  
COMMISSIONER RALPH LYLE  
COMMISSIONER JOHN A. MONIZ  
COMMISSIONER JOSEPH H. MUELLER

**WORKSHOP – 6:00 P.M.**

**REGULAR MEETING - 7:00 P.M.**

**\*\*\* A G E N D A \*\*\***

**NOTICE TO THE PUBLIC**

*The following policies shall govern the conduct of the Planning Commission meetings:*

- *All Planning Commission proceedings are tape-recorded.*
- *Individuals wishing to address the Planning Commission on a particular item should fill out a speaker card and present it to the Secretary. This will assist the Chairperson in hearing your comments at the appropriate time.*
- *When the Chairperson invites you to address the Commission, please state your name and address at the beginning of your remarks.*
- *Speakers will be recognized to offer presentations in the following order:*
  - *Those supporting the application*
  - *Those opposing the application*
  - *Those with general concerns or comments*
  - *Presentations are limited to 5 minutes*

**WORKSHOP – 6:00 PM**

**HIGH-DENSITY SINGLE FAMILY SINGLE FAMILY GENERAL PLAN DESIGNATION**

**AND ZONING DISTRICT:** Workshop to review, discuss and receive public input on a new general plan land use designation of Single Family High (6-11 Du/Ac) and zoning text amendments proposed to incorporate a High-Density Single-Family (R-1, 4,000) zoning district into Chapter 18 Zoning, of the Morgan Hill Municipal Code.

**DECLARATION OF POSTING OF AGENDA IN ACCORDANCE WITH  
GOVERNMENT CODE SECTION 54954.2 - SECRETARY REPORT**

**OPEN PUBLIC COMMENT PERIOD (5 MINUTES)**

Now is the time for presentation from the public on items **NOT** appearing on the agenda that are within the Planning Commission's jurisdiction. Should your comments require Commission action, your request will be placed on the next appropriate agenda. No Commission discussion or action may be taken until your item appears on a future agenda. You may contact the Planning Division for specific time and dates. This procedure is in compliance with the California Public Meeting Law (Brown Act) G.C. 54950.5. Please limit your comments to five (5) minutes.

**ORDERS OF THE DAY**

**MINUTES:** May 12, 2009

**PUBLIC HEARINGS:**

- 1) **DEVELOPMENT AGREEMENT AMENDMENT, DAA-05-09C/DEVELOPMENT  
SCHEDULE AMENDMENT, DSA-05-01D : DEL MONTE - GIOVANNI:** A request to amend the development agreement and development schedule for a six-unit, one acre multi-family residential project referred to as Del Monte Corners located on the east side of Del Monte Ave. approx. 80 ft north of Christine Lynn Dr. The amendments would extend the 'obtain building permit' and 'commencement of construction' dates by 12 months (APN 764-12-025).

**Recommendation:** Reopen/Conduct Public Hearing/Adopt Resolutions amending the Development Schedule and recommending City Council approval to amend the Development Agreement.

- 2) **ZONING AMENDMENT, ZA-09-06: CITY OF MORGAN HILL-CHANGES TO THE  
RESIDENTIAL DEVELOPMENT CONTROL SYSTEM STANDARDS & CRITERIA:** A request to amend Chapter 18.78 of the Morgan Hill Municipal Code, amending the evaluation standards and criteria for proposed residential developments as set forth in Sections 18.78.200 through 18.78.410 of the Municipal Code.

**Recommendation:** Open/Conduct Public Hearing

**OTHER BUSINESS:**

3) **PLANNING COMMISSION WORK PLAN FOR FY 2009-10:**

**Recommendation:** Review and comment/Recommend for submittal to the City Manager and City Council as part of the budget process.

**WORKSHOP:**

- 4) **DOWNTOWN SPECIFIC PLAN:** Review, provide questions and comments and receive public input on the Draft Downtown Specific Plan released in July 2008.

**OTHER:**

- 5) **PLANNING COMMISSION'S PARTICIPATION IN THE CARBON DIET CLUB:**  
Presentation by Environmental Programs staff on ways to reduce the community's carbon emissions.

**TENTATIVE AGENDA FOR THE JUNE 9, 2009 MEETING**

- ELBA-09-03: Monterey-City of MH/Sherman House
- UPA-87-09: DeWitt-West Hills Community (Hillside) Church
- Selection of Chair and Vice Chair
- Residential Development Control System-# of Allocations & Term for next competition
- Holiday schedule

**ANNOUNCEMENTS:**

**CITY COUNCIL REPORTS**

**ADJOURNMENT**

**SPEAKER CARD**

*IN ACCORDANCE WITH GOVERNMENT CODE 54953.3, IT IS NOT A REQUIREMENT TO FILL OUT A SPEAKER CARD IN ORDER TO SPEAK TO THE PLANNING COMMISSION. HOWEVER, it is very helpful to the Commission if you would fill out the Speaker Card that is available on the counter in the Council Chambers. Please fill out the card and return it to the Deputy City Clerk. As your name is called by the Chairperson, please walk to the podium and speak directly into the microphone. Clearly state your name and address and proceed to comment upon the agenda item. Please limit your remarks to three (3) minutes.*

**NOTICE**  
**AMERICANS WITH DISABILITY ACT (ADA)**

*The City of Morgan Hill complies with the Americans with Disability Act (ADA) and will provide reasonable accommodation to individuals with disabilities to ensure equal access to all facilities, programs and services offered by the City.*

*If assistance is needed regarding any item appearing on the Planning Commission agenda, please contact the Office of the City Clerk at City Hall, 17555 Peak Avenue or call 779-7259 or Hearing Impaired only - TDD 776-7381 to request accommodation.*

**NOTICE**

*NOTICE IS GIVEN pursuant to Government Code Section 65009, that any challenge of any of the above agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to the Public Hearing on these matters.*

**NOTICE**

*The time within which judicial review must be sought of the action taken by the Planning Commission which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.*

**NOTICE**

*All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the Planning Commission less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17555 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the Planning Commission. (Pursuant to Government Code 54957.5)*



**COMMUNITY DEVELOPMENT DEPARTMENT**

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**Website Address: [www.morgan-hill.ca.gov](http://www.morgan-hill.ca.gov)**

**PLANNING COMMISSION MEETING MINUTES**

**REGULAR MEETING**

**MAY 12, 2009**

**PRESENT:** Acevedo, Koepp-Baker, Escobar, Lyle, Moniz, Mueller, Tanda

**ABSENT:** None

**LATE:** None

**STAFF:** Planning Manager (PM) Rowe, Senior Planner (SP) Linder,  
Environmental Programs Coordinator (EPC) Fotu and Minutes Clerk  
Johnson.

Chair Koepp-Baker called the meeting to order at 7:00 PM, inviting all present to join in the pledge of allegiance to the U.S. flag.

**DECLARATION OF POSTING OF AGENDA**

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

**OPPORTUNITY FOR PUBLIC COMMENT**

Chair Koepp-Baker opened the floor to public comment for matters not appearing on the agenda.

Commissioner Mueller announced that St. Louise Hospital is forming focus groups for Morgan Hill residents to give input for healthcare service provision to the community. Meetings will be June 3 and 4 (6 – 7:30 p.m.) at the facility. Commissioner Mueller invited interested citizens to call 782-1501, as reservations will be necessary.

Chair Koepp-Baker announced that broadcasting of the session tonight would conclude after the regular agenda, including announcements and upcoming items for future agendas, and that the Planning Commission's Carbon Diet Club session would not be broadcast. "However, for interested residents, summary minutes of the Carbon Diet Club will be available in the Community Development Department before the next meeting," Chair Koepp-Baker advised. Commissioner Lyle indicated he had some uneasiness regarding the issue: "Some of the methodology is troublesome, and I have other concerns, as well," he said.

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Pursuant to the above issues, Chair Koepp-Baker declared that the order of the agenda was established as printed, while she reiterated the conclusion of the broadcast time.

Noting that no one in the audience expressed a wish to address items not appearing on the agenda, Chair Koepp-Baker closed the public hearing.

**MINUTES:**

**APRIL 14, 2009**

**COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO APPROVE THE APRIL 14, 2009 MINUTES WITH THE FOLLOWING REVISIONS:**

Page 4, paragraph 3 ...*18 - 20 trains each peak hour (9 to 10 each way per hour) from 6:00 to 9:00 & 16:00 – 19:00, plus perhaps 14 in the non-peak hours (7 each way per hour). So the daily total number of trains could be in the range of 252 to 260.*"

(Note: these numbers were verified by Mr. Kennerley 05-14-09)

Page 8, paragraph 3: ...but it is ~~not viable~~ *currently inoperable.*]

Page 9, paragraph 7 (add for correction): .... that *such* matters as *design permits* will be sent to the Planning Commission

Page 10, paragraph 4 (add for clarification): *Commissioner Mueller observed that there was concern for eliminating that reference as the content or direction being given by the Design Review Handbook as staff or citizens use the Handbook for projects..*

Page 13, paragraph 9, 2<sup>nd</sup> bullet (add for clarity): *park purchase emphasizing neighborhood parks – which the public had been encouraged to support; not relying on placement of passive parks*

**THE MOTION PASSED (7-0) WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, LYLE, MONIZ, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.**

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## CONSENT CALENDAR:

**1) EXTENSION OF TIME, EOT-09-02: ADAMS-NATT VETERINARY CLINIC** A request for a 24 month extension of time for a previously approved conditional use permit and extension of time for a veterinary hospital located on the vacant parcel on the northeast corner of Cochrane Rd and Adams Ct (APN 726-34-001).

Commissioner Lyle asked that the item be pulled so that questions could be answered. Chair Koepp-Baker so ordered.

Commissioner Lyle referenced the letter from the applicant, asking: "Is two years for the extension really required?" PM Rowe responded, "It is probably more indicative of need because of the present economy."

**COMMISSIONER MUELLER OFFERED A RESOLUTION – INCLUSIVE OF THE FINDINGS AND CONDITIONS - APPROVING AN EXTENSION OF TIME TO THE CONDITIONAL USE PERMIT FOR A VETERINARY HOSPITAL IN THE NORTHEAST CORNER OF COCHRANE ROAD AND ADAMS COUNT IN THE ML-LIGHT INDUSTRIAL ZONING DISTRICT. COMMISSIONER ESCOBAR PROVIDED THE SECOND TO THE MOTION, WHICH PASSED (7-0) WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, LYLE, MONIZ, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.**

## PUBLIC HEARINGS:

**2)DEVELOPMENT AGREEMENT, DA-07-04/ DEVELOPMENT SCHEDULE,** A request for approval of a development agreement and development schedule for three units of an overall five-unit, single-family project. The project site is 0.74 acres in size and is located at the northeast corner of Ginger Way and Rose Lane in the R-1(7,000) zoning district.

**DS-08-04: GINGER-MURRAY:** PM Rowe presented the staff report, providing a brief overview of the history of this project, including the awarded allotments for FY 2007-08 (2) and FY 2008-09 (3). PM Rowe explained: "In October 2008, the Commissioners had reviewed a request for a zoning amendment, development agreement and development schedule, with continuation of the request to January 27, 2009 (Planning Commission Meeting) with the applicant and staff working for resolution of unresolved issues regarding project density and lot configuration. However, the map before the Commissioners at this meeting is now in compliance, and the applicant is requesting approval for the development agreement and the development schedule as the deadline is June 30, 2009." PM Rowe went on to explain that the applicant has the 'three units in hand and wants to pick up the other two'. He noted that the zoning amendment was no longer needed due to the redesign. PM Rowe then called attention to the revised resolution which had been provided.

Commissioner Lyle asked, "Why didn't the applicant ask for extension in a timely manner?" PM Rowe responded, "When the Planning Department was fully staffed, a technician sent a courtesy reminder. With several personnel changes and other duties

added to the office, the reminders were not given high priority. This project was not notified. In this case, the applicant did not receive the courtesy letter and so the application lapsed. " Responding to further questions, PM Rowe reminded that ultimately it is the applicant's responsibility to know the time frame and keep up with the project deadlines.

Commissioner Moniz asked, "For the currently proposed site plan, why was not any environmental work done?" PM Rowe said the environmental initial study was done as part of the zoning stage and that information will be attached to the approval of the subdivision map. He went on to explain that there had been some archeological sensitivity issues which had to be addressed for work to commence timely.

Chair Koepp-Baker opened the public hearing.

The owner/developer, Scott Murray, Scott Murray, 175 E. Main St.; #130, spoke with the Commissioners, saying, "At time of the environmental review, I thought I stayed in touch with City staff. There must have been a miscommunication with the technician."

With no further persons in attendance indicating a wish to speak to the matter, the public hearing was closed.

**NOTING THE INCLUSION OF THE FINDINGS AND CONDITIONS,  
COMMISSIONER MUELLER OFFERED A RESOLUTION  
RECOMMENDING APPROVAL OF THE DEVELOPMENT AGREEMENT  
APPLICATION DA-07-04 FOR APPLICATION MMC-04-09:  
TAYLOR/GINGER – MURRAY. THE MOTION WAS SECONDED BY  
COMMISSIONER ESCOBAR.**

Under discussion, Commissioner Lyle raised concern that the project could get other allocations even though the units expired before the project commenced. Consequently, the following issues were noted:

- this could be viewed as a continuing project
- there is no partial completion
- this brings to the forefront problems with splitting allocations and getting automatic allocations
- a penalty for letting early units expire should be established

**THE MOTION PASSED (7-0) WITH THE FOLLOWING VOTE: AYES:  
ACEVEDO, KOEPP-BAKER, ESCOBAR, LYLE, MONIZ, MUELLER,  
TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.  
COMMISSIONER MUELLER OFFERED A RESOLUTION APPROVING A  
DEVELOPMENT SCHEDULE FOR THREE, FISCAL YEAR 2008-09  
BUILDING ALLOTMENTS AWARDED TO APPLICATION MCC-04-09.  
COMMISSIONER ESCOBAR SECONDED THE MOTION, HAVING NOTED  
THE INCLUSION OF THE FINDINGS AND CONDITIONS TO THE  
RESOLUTION. THE MOTION PASSED (7-0) WITH THE FOLLOWING  
VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, LYLE, MONIZ,  
MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.**

*Because he owns a business in the Downtown area, Commissioner Acevedo noted there*



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*is a potential for conflict of interest on agenda item 3a and said he would be secluded for that item. "However, I would like to sit in for the staff report," he said. Discussion ensued as to the order of the agenda for the items under 3; it was acknowledged that the printed agenda would be adhered to for the staff report.*

*Commissioner Acevedo was secluded at 7:35 p.m., returning at 7:40 p.m. to be seated on the dais.*

## **3) EXTENSIONS OF TIME – DEVELOPMENT AGREEMENT AMENDMENT AND DEVELOPMENT SCHEDULE AMENDMENTS:**

**Note:** SP Linder presented the staff report for the several requests for extensions of time and subsequent changes to the development agreement amendment(s) and development schedule amendments for the following items: 3a, b, c, d, and e. Public hearings were opened for each (PH). To meet the goals of the City for 'green work', this document will provide a synopsis of each item, with the speakers so noted.

**3a) DEVELOPMENT AGREEMENT AMENDMENT, DAA-06-06C/ DEVELOPMENT SCHEDULE AMENDMENT, DSA-06-01C: MONTEREY-GUNTER:** A request to amend the project development agreement and development schedule for a 15-unit mixed use project on a one acre site located at 17620 Monterey Rd., approximately 100 ft. north of Main Ave. The amendment would extend the commencement of construction dates by 12 months.

(PH) The representative of the bank, Craig van Keulen (no address noted) arrived from a previous meeting offering to answer questions from the Commissioners. Mr. van Keulen noted this was a recent bank repossession, and that there was agreement with the staff report. (Closed)

**COMMISSIONER MUELLER OFFERED A RESOLUTION, INCLUDING THE FINDINGS AND CONDITIONS CONTAINED THEREIN, RECOMMENDING A 15-MONTH EXTENSION OF TIME TO COMMENCE CONSTRUCTION ON FOUR, FY 2006-07 ALLOTMENTS AND APPROVING AN AMENDMENT TO THE DEVELOPMENT SCHEDULE FOR APPLICATION MC-05-03: MONTEREY-GUNTER TO EXTEND THE DATES WITHIN THE PROJECT DEVELOPMENT SCHEDULE BY 12-15 MONTHS, WITH THE RECOMMENDED DATE CHANGES AS FOLLOWS:**

Subdivision & Zoning Applications FY 2009-10 (11units) 07-31-08 07-31-09  
Site Review Application FY 2009-10 (11units) 03-30-09 04-30-10  
Final Map Submittal FY 2006-07 (4 units) 02-27-09 04-30-10  
FY 2009-10 (11 units) 02-26-10 10-30-10

**COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED (6-0-0-1) WITH THE FOLLOWING VOTE: AYES: KOEPP-BAKER, ESCOBAR, LYLE, MONIZ, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: ACEVEDO.**

\*Acevedo returned to the meeting

**3b) DEVELOPMENT AGREEMENT AMENDMENT, DAA-05-10D/ DEVELOPMENT SCHEDULE AMENDMENT, DSA-07-20C: BARRETT-SYNCON/BOFA:** A request to amend the project development agreement and development schedule for the Lone Oak project located on the northwest corner of the intersection of Barrett Ave. and San Ramon Dr. The amendments would extend all of the commencement of construction dates by 12 months and incorporate 15 building allocations for FY 2010-11. (APN 817-59-060 & 817-57-001)

Staff noted corrections to the distributed report [Bank of America (BoA) now owns the

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property], Staff concurred with the request, and recommends an additional 6 months with a total of 18 months for remaining allocations.

(PH) Damon Gascon, 8105 Irvine Center Dr., #1460, Irvine was present to represent the applicant, and told the Commissioners the company has just recently become involved with this project, and is actively pursuing a new developer. Mr. Gascon indicated agreement with the staff report. Mr. Gascon responded to Commissioner's questions regarding timelines for foreclosures. **(Closed)**

Commissioners also inquired of staff the issues of noticing since it appeared that the property may have multiple ownership, e.g., questions if Syncon still had some ownership. PM Rowe advised that the City had not been advised of such and that the notices were sent to legal owners of record.

Commissioner Lyle spoke on the 'troublesome' issue of having a project going into foreclosure when it was also being allocated more units. "We really need to talk about how to avoid future occurrences of this type of action," he declared. "Large projects can be strung out over a number of years. This project should not have gotten another 15 allocations in view of the expected foreclosure." PM Rowe said that most likely when the policy was formulated, such occurrences as this extraordinary economic downturn were not considered. Discussion ensued with the **COMMISSIONERS AGREEING THAT A REVIEW OF THE CURRENT POLICY WOULD BE IN ORDER.**

**COMMISSIONER MUELLER OFFERED A RESOLUTION, INCLUDING THE FINDINGS AND CONDITIONS CONTAINED THEREIN, RECOMMENDING AN 18-MONTH EXTENSION OF THE FY 2007-08 ALLOCATIONS, A 12-MONTH EXTENSION OF THE FY 2008-09 & FY 2009-10 ALLOCATIONS, INCORPORATION OF 15, FY 2010-11 ALLOCATIONS, AND APPROVING AN AMENDMENT TO THE DEVELOPMENT SCHEDULE FOR APPLICATION MC 04-12: BARRETT-SYNCON HOMES, TO EXTEND BY 12-MONTHS THE DATE TO FILE FOR A FINAL MAP, SUBMIT FOR BUILDING PERMITS, AND AN 18-MONTH EXTENSION TO OBTAIN BUILDING PERMITS FOR FY 2007-08 ALLOCATIONS, A 12-MONTH EXTENSION TO OBTAIN BUILDING PERMITS FOR THE FY 2008-09 & FY 2009-10 ALLOCATIONS AND SET DATES FOR FY 2010-11 BUILDING ALLOTMENTS, modifying the dates as follows:**

**Final May Submittal FY 2009-10 (14 units) ~~01-30-10~~ 01-30-11**

***FY 2010 (15 units) 01-30-11***

**Building Permit Submittal FY 2009-10 (14 units) ~~02-28-10~~ 02-28-11**

***FY 2010 (15 units) 01-30-11***

**Building Permits {Obtain} FY 2007-08 (13 units) ~~04-30-09~~ 10-30-10**

***FY 2008-09 (5 units) ~~04-30-09~~ 04-30-11***

***FY 2009-10 (14 units) ~~04-30-09~~ 04-30-11***

***FY 2010-11 (15 units) 04-30-11***

COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED (6-1) WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, , MONIZ, MUELLER, TANDA; NOES: LYLE, who indicated his continued opposition to the policy which permits automatic allocations even in the face of controversy; ABSTAIN: NONE; ABSENT: NONE.

**3c) DEVELOPMENT AGREEMENT AMENDMENT, DAA-07-03/DEVELOPMENT SCHEDULE AMENDMENT, DSA-07-17: E. CENTRAL-UHC MORGAN HILL:**

A request to amend the project development agreement and development schedule for a 49-unit senior housing facility on a 2.6 acre site located on E. Central Ave. west of the railroad tracks, in the Central Commercial Residential zoning district. The amendments would extend all of the commencement of construction dates by 12 months.

This is a low income senior project with staff recommending approval of the request, which will through a technicality, cause a 13 month extension; exhibit A provides explanation of the additional month for the extension.

(PH) Applicant representative Mark Irving 2000 E Fourth St., #205, Santa Ana, CA was present and clarified the request, however, exhibit A provided explanation of the additional allocations and time(s). Mr. Irving said his company supports the staff report as presented and would like reference to a tax credit which he indicated was needed for the project. (Closed)

**COMMISSIONER MUELLER OFFERED A RESOLUTION, INCLUSIVE OF THE FINDINGS AND CONDITIONS THEREIN, RECOMMENDING A 13-MONTH EXTENSION OF THE FY 2008-09 AND FY 2009-10 ALLOCATIONS AND APPROVING AN AMENDMENT TO MC-05-09: E. CENTRAL-UHC TO EXTEND THE DATE TO OBTAIN BUILDING PERMITS BY 12 MONTHS, WITH THE FOLLOWING MODIFICATIONS:**

1. Addition of a whereas to clarify the tax credit;
2. Building Permits (obtain) FY 2008-09 (12 units) ~~04-01-2009~~ 04-30-2010  
FY 2009-10 (37 units) ~~04-01-2010~~ 04-30-2011

**COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED (7-0) WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, LYLE, MONIZ, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.**

**3d) DEVELOPMENT AGREEMENT AMENDMENT, DAA-06-05C/DEVELOPMENT SCHEDULE AMENDMENT, DSA-06-02: E. MAIN-AHLIN:**

A request to amend the project development agreement and development schedule for an approved 134 unit townhouse project on a 6.1-acre site located at the southwest corner of E. Main Ave. and Butterfield Blvd. The amendments would extend the commencement of construction dates by 12 months. (APN 726-15-001 & 726-15-073)

(PH) Scott Murray was present to answer questions. Mr. Murray indicated agreement with the staff report. Mr. Murray thanked SP Linder for the hard work. He said that the project was moving forward with 14 units. Mr. Murray said there had been 'some issues with financing' but that he was moving forward now.

Commissioner Lyle asked when it was anticipated that ground breaking would occur? Mr. Murray responded, "We have pulled the grading permit and expect to break ground within the week." He also noted that the project has been getting positive feedback from community.

Commissioner Lyle then asked when the cement plant might be moved. Mr. Murray

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said he thought that was identified in the RDA agreement; and would be about a year from July. "We can design around it now," Mr. Murray said.

**(Closed)**

**COMMISSIONER MUELLER OFFERED A RESOLUTION, INCLUDING THE FINDINGS AND CONDITIONS WITHIN, RECOMMENDING A 12-MONTH EXTENSION OF 48 FY 2007-08 ALLOCATIONS, A 24-MONTH EXTENSION OF 2 FY 2009-10 ALLOCATIONS AND APPROVING AN AMENDMENT TO THE DEVELOPMENT SCHEDULE FOR APPLICATION MC-05-06: E. MAIN-AHLIN TO EXTEND THE DATES WITHIN THE PROJECT DEVELOPMENT SCHEDULE BY 12, 24, & 40 MONTHS, with the following modifications:**

**Final Map Submittal FY 2007-08 (2 units) 09-30-07 01-30-2011**

**FY 2008-09 (43 UNITS) 01-30-10 01-30-2011**

**FY 2009-10 (6 UNITS) 01-30-10 01-30-2011**

**Building Permit Submittal**

**FY 2007-08 (14 UNITS) 04-30-09 04-30-2010**

**FY 2007-08 (34 UNITS) 04-30-09 04-30-2010**

**FY 2007-08 (2 UNITS) 04-30-09 04-30-2011**

**FY 2008-09 (43 UNITS) 04-30-10 04-30-2011**

**FY 2009-10 (6 UNITS) 04-30-10 04-30-2011**

**COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED (7-0) WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, LYLE, MONIZ, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.**

**3e) DEVELOPMENT AGREEMENT AMENDMENT, DAA-05-09C/ DEVELOPMENT SCHEDULE AMENDMENT, DSA-05-01: DEL MONTE -**

**GIOVANNI:** A request to amend the development agreement and development schedule for a six-unit, one acre multi-family residential project referred to as Del Monte Corners located on the east side of Del Monte Ave. approx. 80 ft north of Christine Lynn Dr. The amendment would extend the commencement of construction date by 12 months.

(PH) Dan Gluhaich, 175 E. Main, Ste. 130, told the Commissioners he is the current owner of the property, and that he has obtained a buyer for the project. Mr. Gluhaich said, "Unfortunately the notice for this item was sent to the buyer and he is out of country. I thought it was taken care of and now am asking for an extension."

Responding to questions, Mr. Gluhaich assured the Commissioners he has a buyer in contract and is finishing up the financing. "Right now, the final map is going through the City and we are working on the bond," he said. He also told of plans for getting in all the information needed. **(Closed)**

**COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO CONTINUE THE MATTER OF DEVELOPMENT AGREEMENT AMENDMENT, DAA-05-09C/ DEVELOPMENT SCHEDULE AMENDMENT, DSA-05-01 : DEL MONTE - GIOVANNI TO THE MAY 26 MEETING, TO BE DETERMINED BY STAFF IN CONJUNCTION WITH THE APPLICANT. THE MOTION PASSED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; NONE WERE ABSENT.**

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## OTHER BUSINESS:

### 4) GENERAL PLAN IMPLEMENTATION ANNUAL REPORT

Review Status of General Plan Implementation.

PM Rowe announced that the revised report had been distributed. He also said this document was a status report for the time period ending December, 2008. The land use amendment was valid for January 2006 – December 2008. PM Rowe then gave a brief overview of the land development occurring at present (very little) coupled with industrial development (even less). PM Rowe then called attention to several portions of the revised report:

- page 4 discussion of goals (including goal 17, which refers to a comprehensive study; no specifics available yet)
- page 5 Economic Development Element ~ new tables on page 6 specifically noted
- page 7 population growth {2011 may not be realistic in view of current economic but consistent with published CA Department of Finance (DoF) numbers and projections}
- page 8 goals >> action item update
- page 9 of report transportation issues: CalTrain may have reduction of train service to Gilroy and increased fares for ticketing

Discussion ensued regarding:

- ♦ concern if any expansion of train service as operating funds not known
- ♦ double (rail) tracking to Gilroy
- ♦ page 17 (table) 13.8 ~ budget issue: Does City budget have dollars in street fund for maintenance downtown [Yes, but minimal]
  - 3<sup>rd</sup> St: downtown assessment possible
  - little or no dollars for landscaping
- street median city responsibility

Chair Koepp-Baker said she thought the projected growth percentage (even though she liked it, 'may be out of whack'.

Regarding page 4, goal 11 (industrial land), PM Rowe was asked, "How much office space is available now?" He responded, "Roughly a million sf, and we could consider about 15%+/- which would include empty retail space." PM Rowe also said that vacant commercial space could be considered in the figure. "To be more exact," PM Rowe said, "we have about 945,000 vacant sf," as he clarified he was just speaking to building space for office and industrial.

Commissioner Moniz asked about information received from ABAG annually. PM Rowe explained that data is typically produced in December, at which time the data is published.

Commissioner Moniz continued by addressing what will happen or be changed with the receipt of new ABAG numbers; PM Rowe said that the new numbers will probably indicate an increased projection for jobs. Commissioner Escobar spoke to current unemployment numbers and upcoming layoffs in 2010 and 2011, which are not reflected in the report. PM Rowe explains effect of Department of Finance numbers and projections.

# PLANNING COMMISSION MEETING MINUTES

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COMMISSIONERS MUELLER/ESCOBAR MOTIONED APPROVAL OF THE REPORT AS PRESENTED AND RECOMMEND TRANSMITTAL OF THE REPORT TO THE CITY COUNCIL WITH A ANNOUNCEMENT THAT THE CITY IS MAKING PROCESS THROUGH THE GENERAL PLAN IMPLEMENTATION WITH USE OF THE CIP. THE MOTION PASSED (7-0) WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, ESCOBAR, LYLE, MONIZ, MUELLER, TANDA; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

## ANNOUNCEMENTS/ COMMISSIONER IDENTIFIED ISSUES

None

## CITY COUNCIL REPORTS

None

## Upcoming workshops/ WORKSHOP SCHEDULE

PM Rowe announced that the Community Development Department is planning a series of workshops which will be geared to obtaining public input for a sustainable building ordinance and for the General Plan Circulation Element update which is anticipated to be completed September, 2009. The sustainable building workshops will be held June 8 and 15. PM Rowe reminded that these workshops are not specific to the Planning Commission, and that any issues regarding Brown Act requirements must be considered. PM Rowe also noticed the planned public forums for discussion of the Downtown Specific Plan.

PM Rowe also addressed the work being done on the Downtown Specific Plan, and advised of upcoming workshop regarding the matter for the meeting of May 26. Discussion ensued with the **COMMISSIONERS AGREEING – BY CONSENSUS – TO BEGIN THE MAY 26, 2009 MEETING AT 6:00 PM.** Commissioner Acevedo announced that he would not be in attendance for the workshop for the Downtown Specific Plan; staff was advised to set the agenda accordingly.

Noting that there was no further business for the Planning Commission during broadcast portion of the meeting, Chair Koepp-Baker recessed the meeting at 8:35 pm

## 5) PLANNING COMMISSION'S PARTICIPATION IN THE CARBON DIET CLUB:

EPC Rebecca Fotu discussed how to calculate personal greenhouse gas emissions, reviewed the low carbon diet workbook and how to use the carbon diet toolkit items. The Commissioners were asked why they were interested in participating and many stated that they wanted to learn more about climate change and contribute to reducing the community's greenhouse gas reductions for a better future. The commissioners were asked to calculate their personal greenhouse gas emissions and create a greenhouse reduction action plan. They were also asked to work on the first section of the workbook that dealt with changing their behaviors to conserve more energy and water and report their progress at the next Carbon Diet Club meeting on May 26, 2009.

**PLANNING COMMISSION MEETING MINUTES**

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**ADJOURNMENT**

Noting that there was no further business for the Planning Commission at this meeting, Chair Koepp-Baker adjourned the meeting at 9:45 pm.

**MINUTES RECORDED AND PREPARED BY:**

**JUDI H. JOHNSON, Minutes Clerk**



**MEMORANDUM**

**To: PLANNING COMMISSION**  
**From: COMMUNITY DEVELOPMENT DEPARTMENT**  
**Subject: HIGH-DENSITY SINGLE FAMILY SINGLE FAMILY GENERAL PLAN  
DESIGNATION AND ZONING DISTRICT**

**Date: May 26, 2009**

**REQUEST**

Hold a workshop to review, discuss and receive public input on a new general plan land use designation of Single Family High (6-11 Du/Ac) and zoning text amendments proposed to incorporate a High-Density Single-Family (R-1 4,000) zoning district into Chapter 18 Zoning, of the Morgan Hill Municipal Code.

**DISCUSSION**

Policy contained within the Housing Element update directs the creation of a high density single family land use designation. Existing General Plan Land Use Action 7.1 also suggests development of a higher density single family district. In response to the new Housing Element policy and the existing Land Use Action 7.1, staff has developed a Single-Family High land use designation and draft zoning standards for a high-density single family zoning district. General Plan Land Use Actions 7.1 & 7.2 read as follows:

**Action**

- 7.1** Expand the Multi-Family Low residential land use designation to allow development of detached units based on design and development criteria intended to limit visual impact (e.g., floor-area ratio, single story, mass of garages, etc), and limit the number of small-lot detached units in a given project to a small proportion (less than 25 percent) of overall units.
- 7.2** Limit the number of single-family attached units in a given project in single family designations to a small proportion (less than 25 percent) of overall units.

The direction of General Plan GP, Action 7.1 is to expand the Multi-Family Low designation to allow detached development. The basic distinction between the GP Multi-Family designations and Single-Family designations is the ability to produce attached rather than detached housing product. Defining detached standards within the existing (or proposed) multi-family designations presented difficulty in distinguishing under what circumstances multi-family vs. single-family standards would apply. In order to preserve the existing attached vs. detached distinction between multi-family and single-family designations staff is proposing a Single Family High land use designation to implement GP Action 7.1 and GP Housing Element policy. The proposed Single Family High designation will allow for better (less confusing) implementation of the design and development criteria stated in GP Action 7.1.



To implement the new zoning classification, the General Plan Land Use Element will need to be amended to define "Single-Family High" as a GP land use designation. The proposed Single-Family High land use designation would be defined as follows:

***Single Family High.*** The Single Family High land use is meant to accommodate detached single family homes on small lots at a density of 6-11 dwelling units per acre.

The proposed Single Family High (6-11 Du/Ac) GP designation will allow for detached homes at densities currently found in the Multi-Family Low (5-14 Du/Ac) and Single Family Medium (3-5 Du/Ac) GP designations and is intended to provide a transition between existing and proposed Multi-Family Low and Single Family Medium development, allowing for creation of lot sizes lower than the current 7,000 sq. ft. minimum.

An additional GP amendment to be considered will be the correction of the existing density range for the Single Family medium land use designation which is currently defined as 3-5 dwelling units per acre. A gross acre will yield 6.22, 7,000 sq. ft. lots; therefore the upper limit for the Single Family medium designation should read 6 dwelling units per acre.

Application of the proposed Single-Family High land use designation and zoning on specific properties will initially be done in response to individual property owner application for GP amendment until the City undertakes a comprehensive update of the General Plan Land Use Element.

Attached for review and discussion is a draft of the proposed High-Density Single Family Residential (R-1 4,000) zoning district.

The implementation of the proposed R-1 (4,000) zoning will require amendment to other sections of Chapter 18 Zoning. Other affected sections include 18.04 Definitions, 18.50 Off-Street Parking and Paving Standard, 18.55 Secondary Dwelling Units and 18.57 Exceptions. Proposed amendments to these code sections are shown within the attached exhibits as ***bold/italic*** text additions and ~~strike-out~~ for deletions.

## **RECOMMENDATION**

It is recommended that the Commission review and discuss the proposed Single Family High land use designation and High-Density Single Family Residential (R-1 4,000) zoning district and related zoning text amendments. The development community will also receive copies of the proposed text and have been invited to participate in the workshop discussion. Based on the input received at the workshop, staff will develop a final draft for consideration by the Commission and Council.

### **Attachments:**

Section 18.13 High-Density Single Family Residential District  
Section 18.04 Definitions  
Section 18.50 Parking and Paving Standards  
Section 18.55 Secondary Dwelling Units.  
Section 18.57 Exceptions

## Chapter 18.13

### HIGH-DENSITY SINGLE FAMILY RESIDENTIAL DISTRICT

#### Sections:

- 18.13.010 Purpose of district.
- 18.13.020 Permitted uses.
- 18.13.030 Accessory uses.
- 18.13.040 Conditional uses.
- 18.13.050 Site development standards--Generally.
- 18.13.060 Site development standards
- 18.13.080 Additional required conditions.
- 18.13.090 Trash containers.

#### **18.14.10 Purpose of district.**

The purpose of the high density single family residential district is to stabilize and protect the residential character of single family neighborhoods and promote and encourage a suitable living environment. The R-1 4,000 district is intended for detached single family homes on small lots and the community services appurtenant thereto.

#### **18.14.020 Permitted uses.**

The following uses shall be permitted in the R-1 4,000 district, with less than 25 percent single family attached, duets or multifamily permitted within a given project:

- A. Single family detached dwellings
- B. Duets, duplex or single-family attached dwellings;
- C. Residential care facilities-Small;
- E. Manufactured homes;
- F. Small and large family day care homes.

#### **18.14.030 Accessory uses.**

The following uses are the accessory uses permitted in the R-1 4,000 district:

- A. Signs, complying with the applicable regulations set forth in Chapter 18.76 of this title;
- B. Private garage and parking areas;
- C. Home occupations;
- D. Other accessory uses and buildings customarily appurtenant to a permitted use complying with the applicable regulations set forth in Chapter 18.56 of this title;
- E. Secondary dwelling units complying with the applicable regulations set forth in Chapter 18.55 of this title;

#### **18.14.040 Conditional uses.**

The following uses may be conditionally allowed in the R-1 4,000 district, subject to issuance of a conditional use permit, in accordance with Chapter 18.54 of this title:

- A. Social halls, lodges, fraternal organizations, clubs and bars, except those operated as a business for profit;
- B. Roominghouses and boardinghouses for not over six guests;
- C. Licensed nursing homes and convalescent hospitals;
- D. Public and quasi-public buildings and uses of a recreational, educational, religious, cultural or public-service type, not including corporation yards, storage or repair yards, and warehouses;

- E. Hospitals and other medical facilities, provided that such uses are located adjacent to an arterial road, as designated on the General Plan land use map;
- F. Parking areas adjacent to commercial zoning districts;
- G. Nursery schools;
- H. Mobile home parks;
- I. Residential Care Facility-Large;
- J. Congregate Care for the Elderly/Assisted Living Facility

**18.14.050 Site development standards--Generally.**

The site development standards set out in Sections 18.14.060 and 18.14.070 shall apply in the R-1 4,000 district.

**18.14.060 Site development standards--R-1 4,000 district.**

R-1 4,000 standards are as follows:

- A. Minimum lot area:
  - 1. Single family detached: 4,000 square feet.
  - 2. Corner lot single family detached: 4,500 square feet
  - 3. Single family attached, duet or townhouse lots: 3,500 square feet
  - 4. Corner single family attached, duet or townhouse lots: 4,000 square feet
  - 5. Duplex lots: 7,000 square feet
  - 6. Corner duplex lots: 7,500 square feet
- B. Minimum lot width for lots less than 5000 square feet: 40 feet.
- C. Minimum lot width for lots 5000 square feet or greater: 50 feet.
- D. Cul-de-sac lot width: 40 feet
- E. Minimum lot depth: 85 feet;
- F. Maximum floor area ratio: 50 percent
- G. Minimum setbacks:
  - 1. Front: 15 feet
  - 2. Rear: 15 feet; 20 feet for two-story
  - 3. Side interior: first floor shall be equal to 10 percent of the lot width.
  - 4. Side interior: second floor shall be equal to 15 percent of the lot width.
  - 5. Side exterior corner: 9 feet;
- I. Maximum height: 30 feet;
- J. All residential development fronting on an arterial street as defined by the general plan, shall provide a minimum front yard setback of thirty feet, or all residential development with rear or side yard areas adjacent to an arterial street shall provide a minimum fence/wall setback of fifteen feet with an average of twenty feet from the face of the curb;
- K. Parking requirements: as specified in Chapter 18.50 of this title.
- L. Projections into required yard area are allowed pursuant to specifications within Chapter 18.57.
- M. Trash receptacles and enclosures: as specified in Section 18.48.130

## Chapter 18.04 DEFINITIONS

### ***18.04.120.13 Density***

***“Density” means the number of dwelling units permitted per net lot area.***

### **18.04.135 Driveway.**

"Driveway" means a permanently surfaced area on a lot, designed and required to provide direct access for vehicles between a street and a private garage, carport or other permitted parking space or parking area or loading area. (Ord. 559 N.S. § A (part), 1981)

### **18.04.140 Driveway aisle, major.**

"Major driveway aisle" means a driveway providing principal access to the parking area or the driveway providing principal circulation throughout the parking areas or premises. (Ord. 559 N.S. § A (part), 1981)

**No change recommended. Included for reference only.**

### **18.04.195 Floor area.**

~~"Floor area" means the sum of the areas of the several floors of structure(s), as measured by the exterior faces of the walls, less any area within the structure(s) devoted to parking, vehicular atriums or enclosed malls and similar areas. (Ord. 559 N.S. § A (part), 1981)~~

***“Floor area ratio” (FAR) means a ratio, expressed as a percentage, of the gross floor area of a given building, as measured by the exterior faces of the walls, to the net area of the parcel of real property on which such building or buildings are located. In determining the FAR for residential uses, the gross floor area shall include the area devoted to covered parking and all area devoted to staircases on all levels. Basement area shall not be included in the gross floor area.***

### **18.04.245 Lot.**

"Lot" means a piece or parcel of land owned as a single unit in common ownership, occupied or intended to be occupied by a principal building or a group of such buildings and accessory buildings, or utilized for a principal use and uses accessory thereto, together with such open spaces as are required by this chapter, and having frontage on and access to an approved and accepted city street which meets the standards

of width and improvements as specified in the regulations of the city contained in or adopted pursuant to the subdivision title of this code, and Chapter 18.50 of this title on street improvements as to the frontage of the lot involved, or having frontage on and access to an approved private street or major driveway aisle for properties that are located in the *R-1 4,000*, R-2, R-3, R-4 and CC-R districts. (Ord. 1743 N.S. § 1, 2005; Ord. 559 N.S. § A (part), 1981)

#### **18.04.250 Lot area.**

~~"Lot area" means the net site area of a lot, expressed in terms of acres or square feet, exclusive of any public street easements, and exclusive of that percentage of the total area of any other public easements or private easements which is in excess of fifteen percent of the net site area of the lot, exclusive of any such public street easements, which net site area as thus limited can be legally occupied by a principal building or a group of such buildings and accessory buildings, or can be utilized for a principal use and uses accessory thereto, together with such open spaces as are required by Division I of this title. (Ord. 559 N.S. § A (part), 1981)~~

*"Lot area" means the net site area of a lot, expressed in terms of acres or square feet. In determining net lot area the following shall not be included:*

- 1. Any land within the limits of a street (public or private) upon which the lot abuts, even if fee title to such street is held by the owner.*
- 2. Public easements or private easements other than streets which are in excess of fifteen percent of the net site area of the lot.*

#### **18.04.260 Lot coverage or building coverage.**

"Lot coverage" or "building coverage" means that portion of the lot area covered by a building. (Ord. 559 N.S. § A (part), 1981)

**No change recommended. Included for reference only.**

#### **18.04.395 Setback.**

"Setback" means the distance between the building and any lot line, *public or private street easements, or drive-aisles*. (Ord. 1473 N.S. § 5, 2000)

#### **18.04.396 Setback Line.**

"Setback Line" means that line which defines the minimum required distance from any lot line, *public or private street easements or drive-aisles*, within which a *primary structure* must be placed. (Ord. 1473 N.S. § 6, 2000)

## CHAPTER 17.34 STANDARDS FOR RESIDENTIAL AND PRIVATE STREETS

### 17.34.060 Private streets.

Private streets shall only be allowed where no thru traffic or access to adjoining properties is required. Minimum standards of private streets are as follows:

A. Street right of way width shall be forty –eight feet minimum, *except for private streets in the R-4, R-3, R-2 or R-1 4,000 zoning districts, which may be thirty feet upon approval of the Public Works Director..*

B. Curb-to-curb width shall be thirty-six feet minimum *except for private streets in the R-4, R-3, R-2 or R-1 4,000 zoning districts, which may be 24 feet upon approval of the Public Works Director.*

C. Sidewalks and parking shall be provided along both sides of the street *except for private streets in the R-4, R-3, R-2 or R-1 4,000 zoning districts upon approval the Public Works Director.*

## Chapter 18.04 DEFINITIONS

### 18.04.417 Street

*“Street” means a public or private thoroughfare, including road, highway, drive, lane, avenue, place, boulevard, and any other thoroughfare that affords the principal means of access to five or more lots.*

### 18.04.412 Street, private.

*“Private street” is a paved vehicular access to five or more lots or units over a common parcel or consecutive easements, primarily used by the owners or occupants of the common parcel or consecutive easements and from which the public may be excluded and which are not maintained by a public agency.*

## Chapter 18.50 OFF-STREET PARKING AND PAVING STANDARDS

### 18.50.200 Tandem parking spaces.

Tandem parking spaces will not be acceptable as required spaces except in the ***R-1 4,000***, R-2, R-3, R-4, ***and CC-R*** districts and only in an enclosed garage. A "tandem parking space" is a parking space so located that it is necessary to move one or more other vehicles in order to allow the vehicle occupying the tandem space to gain access to or from such space. ***A driveway apron shall be provided in front of the covered parking spaces which shall measure a minimum 10 feet in width and 20 feet in depth.*** (Ord. 1743 N.S. § 2, 2005; Ord. 1415 N.S. § 30, 1998; Ord. 559 N.S. § A (part), 1981)

## Chapter 18.55 SECONDARY DWELLING UNITS

### Sections:

- 18.55.010 Purpose.
- 18.55.020 Applicability.
- 18.55.030 Development standards for new secondary dwelling units. (Ord. 1789 N.S. § 2 (part), 2006)

### 18.55.010 Purpose.

This chapter provides for secondary dwelling units in certain areas and on lots developed or proposed to be developed with single-family dwellings. Such secondary dwellings are allowed because they can contribute needed housing to the community's housing stock. Their inclusion on the same lot as the primary dwelling will tend to diminish their impact on the surrounding area and on services. Thus, it is found that secondary dwelling units do not exceed the allowable density for the lot upon which they are located; and further, secondary units are a residential use which is consistent with the general plan and zoning regulations. (Ord. 884 N.S. § 3 (part), 1988)

### 18.55.020 Applicability.

Secondary dwelling units shall only be allowed in the following zones:

- A. O-S District: on lots of five acres (net) or more;
- B. *CC-R: on lots of 6,000 square feet or more;***
- C. *R-2 (3,500) on lots of 5,000 square feet or more;***
- D. *R-1 (4,000): on lots of 4,000 square feet or more;***
- E. R-1 (7,000): on lots of ***7,000*** ~~seven thousand~~ square feet or more;
- F. R-1 (9,000): on lots of ***9,000*** ~~nine thousand~~ square feet or more;
- G. R-1 (12,000): on lots of ***12,000*** ~~twelve thousand~~ square feet or more;
- H. R-1 (20,000): on lots of ***20,000*** ~~twenty thousand~~ square feet or more;
- I. R-E (40,000): on lots of ***40,000*** ~~forty thousand~~ square feet or more;
- J. R-E (100,000): on lots of ***100,000*** ~~one hundred thousand~~ square feet or more. (Ord. 1135 § 59, 1993; Ord. 908 § 1, 1989; Ord. 884 § 3 (part), 1988)

**18.55.030 Development standards for new secondary dwelling units. (Ord. 1789 N.S. § 2 (part), 2006**

Secondary dwelling units shall be subject to the same requirements as any dwelling located on the same parcel in the same zoning district, with the following differences:

A. Number of Secondary Dwelling Units. One secondary dwelling unit is permitted for each appropriately zoned parcel that contains single-family dwelling.

B. Minimum Lot Area Per *Primary* Dwelling Unit. The minimum lot area per *primary* dwelling unit required by the applicable district shall apply, except as required by the Hillside Combining District, whichever is larger.

C. Maximum Unit Size. No portion of an attached secondary dwelling unit shall occupy more than thirty percent of the existing living area of the primary dwelling.

The total floor area of an attached or detached secondary dwelling unit shall not exceed the following:

1. In the **CC-R, R-2(3,500), R-1 (4,000)**, R-1 (7,000), R-1 (9,000) and R-1 (12,000) districts: six hundred forty square feet;

2. In the R-1 (20,000) districts: seven hundred fifty square feet;

3. In the R-E (40,000) district: nine hundred square feet;

4. In the R-E (100,000) and O-S districts: one thousand square feet.

D. Relationship to Primary Dwelling Unit. Secondary dwelling units may be either detached from, or attached to the primary dwelling unit on the property. A detached unit must conform to the building setback and *FAR or* lot coverage limitations contained in the applicable zoning district and *if detached*, shall be setback a minimum of six feet from the primary dwelling unit.

E. Required Off-Street Automobile Parking Spaces. There shall be provided at time of establishment of a secondary dwelling unit, a minimum of one space for a studio or one bedroom secondary unit and a minimum of two spaces for secondary dwelling unit containing two bedrooms, in addition to those required for the primary dwelling unit. Off-street parking spaces for the secondary dwelling unit may be uncovered, but shall conform to all other applicable requirements contained in Chapter 18.50. Off-street parking for a secondary dwelling may be located within the front, side or rear yard areas. ~~provided that the parking spaces are setback a minimum of five feet from any interior lot line and fifteen feet from any side property line on the street side of a corner lot.~~

F. Design.

1. The design of the secondary dwelling unit shall be compatible with the design and scale of the existing dwelling (using substantially the same landscaping, color, materials and design on the exterior) and the general character of the neighboring residential properties.

G. Septic Tank Disposal System. Detached secondary dwelling units shall provide separate and independent septic tank sewage disposal systems. All leach lines shall be designed and installed in accordance with Bulletin A, "Septic Tank Sewage Disposal System," or other current septic system requirements issued by the Santa Clara County Environmental Health Services. This provision shall only apply in areas of the city where septic tank disposal systems are allowed due to lack of sanitary sewer lines. In other areas of the city, the second unit shall be connected to the sanitary sewer system through the existing lateral line serving the primary dwelling unit.

H. Maximum Number of Bedrooms. No more than two bedrooms may be constructed in a secondary dwelling unit. (Ord. 1789 N.S. § 2 (part), 2006; Ord. 1343 N.S. §§ 5, 6 & 7, 1997; Ord. 1135 N.S. §§ 58, 60, 61, 62, 63, 64 & 65, 1993; Ord. 958 N.S. § 1, 1989; Ord. 908 N.S. §§ 6, 7, 1989; Ord. 884-A § 1, 1989; Ord. 884 § 3 (part), 1988)



## CHAPTER 18.57 EXCEPTIONS

### 18.57.030 Exceptions to required setbacks.

A. The following are exceptions to the setback requirements set forth elsewhere in Division I of this title for structures within the required setback area:

1. Cornices, awnings, eaves, wing walls or other similar architectural features may project into the required setback a distance not to exceed three feet.
2. Canopies or similar architectural features within any non-residential zoning district are permitted within the required setback area provided that they do not project more than two-thirds the distance of the required setback from the property line or public right-of-way and in no case be setback less than five feet.
3. Porches, second story stairways and landings leading to a second story may project a distance not to exceed ~~five~~ *seven* feet and in no case be setback less than five feet.
4. Bay windows and chimneys may project into the required setback a distance not exceeding three feet, provided that such features do not occupy, in the aggregate, more than one-third of the length of the building wall on which they are located.
5. Equipment or structures enclosing such equipment which are attached to the main building or accessory structure (e.g., solar panels and water storage tanks, heating, and air conditioning equipment, or similar mechanical equipment), shall not encroach more than fifty percent into a rear or side yard area. The fifty percent encroachment limitation can be waived if all other applicable code requirements can be met and the encroachment would not adversely affect the adjoining property. The Community Development Director shall approve of any encroachment prior to the issuance of a permit.



**MEMORANDUM**

**To: PLANNING COMMISSION**

**Date: May 26, 2009**

**From: COMMUNITY DEVELOPMENT DEPARTMENT**

**Subject: DEVELOPMENT AGREEMENT AMENDMENT/DEVELOPMENT  
SCHEDULE AMENDMENT APPLICATIONS, DAA-05-09C/DSA-05-01D:  
Del Monte-Giovanni**

**REQUEST**

The applicant is requesting approval to amend the development schedule and development agreement for a six-unit, multi-family residential project to extend the 'obtain building permit' date and 'commence construction' date by 12 months.

**RECOMMENDATION**

Application, DAA-05-09C: Adopt resolution recommending approval of the amended Development Agreement

Application, DSA-05-01D: Adopt resolution approving the amended Development Schedule

Processing Deadline: November 12, 2009

**BACKGROUND**

On May 12, the Planning Commission considered amendment requests to extend the development deadlines for five residential projects. Staff recommended approval of four of the five requests, but recommended to continue the fifth project, Del Monte Corners (DAA-05-09C/DSA-05-01D: Del Monte-Giovanni). The property owner for the Del Monte Corners project did not file the appropriate application in time to be considered with the other four projects at the May 12 Commission meeting. Therefore, application DAA-05-09C/DSA-05-01D: Del Monte-Giovanni was continued to May 26.

**CASE ANALYSIS**

Del Monte Corners is a six-unit project on an approximate one acre site in a R2(3,500) zoning district. The project is located on the east side of Del Monte Avenue, approximately 80 ft north of Christine Lynn Drive. The project was awarded six building allotments for Fiscal Year 2006-07, and has received two previous extensions of time. The applicant is currently requesting a third extension of time for an additional 12 months. The following tables outline the project's original

schedule dates, past extensions granted, and the applicant's current request. The far right column identifies staff's recommendation. The Letter of Request from the applicant is also attached.

### DEVELOPMENT AGREEMENT

Commencement of Construction	Original Date	1st Amendment	2nd Amendment	Current Request	Staff Recommendation
FY 2006-07 (6 units)	06-30-07	(+6 mo) 12-30-07	(+18 mo) 06-30-09	(+12 mo) 06-30-10	Concur w/applicant's request

### DEVELOPMENT SCHEDULE

Obtain Building Permit	Original Date	1st Amendment	2nd Amendment	Current Request	Staff Recommendation
FY 2006-07 (6 units)	05-31-07	(+6 mo) 11-30-07	(+16 mo) 03-30-09	(+12 mo) 03-30-10	Concur w/applicant's request

In accordance with Municipal Code Section 18.78.125.G, *"An exception to the loss of allotment may be granted by the city council if the cause for the lack of commencement was the city's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140, or extended delays in environmental reviews, delays not the result of developer inaction, or allotment appeals processing."* The City Council has also approved requests for extensions of time due to a downturn in the housing market.

Staff concurs with the applicant's 12-month extension request. The project has completed the final map review process and two rounds of building plan check. The only remaining performance milestones include posting the subdivision bonds, recording the final map, pulling building permits and commencing construction. The property owner has been in escrow with a buyer for over one year but the project has been delayed due to construction financing. As explained in the applicant's Letter of Request, the buyer has had to change from conventional money to private money. The property owner is also requesting additional time if for any reason the current buyer cannot perform and the property owner needs to secure new financing.

### RECOMMENDATION

Due to the current housing and banking crisis, Staff recommends approval of the development agreement and development schedule amendments as contained in the attached resolutions.

#### Attachments:

1. Resolution recommending approval of DAA
2. Resolution amending development schedule
3. Applicant's Letter of Request
4. Project location exhibit

**RESOLUTION NO. 09-\_\_**

**A RESOLUTION OF THE PLANNING COMMISSION  
OF THE CITY OF MORGAN HILL RECOMMENDING  
APPROVAL OF DEVELOPMENT AGREEMENT  
AMENDMENT APPLICATION, DAA-05-09C: DEL  
MONTE - GIOVANNI TO ALLOW A 12-MONTH  
EXTENSION OF TIME TO COMMENCE  
CONSTRUCTION ON SIX, FY 2006-07 BUILDING  
ALLOTMENTS (APN 764-12-025)**

**WHEREAS**, the Planning Commission, pursuant to Chapter 18.78.380 of the Morgan Hill Municipal Code, awarded six building allotments for application MMC-04-05: Del Monte – Giovanni for FY 2006-07; and

**WHEREAS**, the City Council of the City of Morgan Hill has adopted Resolution No. 4028, establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Morgan Hill Municipal Code; and

**WHEREAS**, Sections 65864 through 65869.5 of the California Government Code authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property; and

**WHEREAS**, on January 17, 2007, the City Council adopted Ordinance No. 1815, N.S. which approved a development agreement and established a ‘commence construction’ date of June 30, 2007 for the six-unit project; and

**WHEREAS**, on May 2, 2007, the City Council adopted Ordinance No. 1835, N.S. which amended the development agreement to allow a six-month extension of the commence construction date to December 30, 2007; and

**WHEREAS**, on December 19, 2007, the City Council adopted Resolution No. 6140 approving a six-month Exception to Loss of Building Allotment (ELBA) for the six building allotments; and

**WHEREAS**, on July 2, 2008, the City Council adopted Ordinance No. 1881, N.S. which amended the development agreement to incorporate the six-month ELBA granted by Resolution No. 6140 and to allow an additional 12-month extension of time, extending the commence construction date on the six units to June 30, 2009; and

**WHEREAS**, under Section 18.78.125.G of the Municipal Code, the City Council may grant an Exception to Loss of Building Allotment (ELBA) if it finds that the cause for the lack of commencement was the City’s failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140, or extended delays in environmental review, permit delays not the result of developer inaction, or allocation appeals processing; and

**WHEREAS**, the applicant is currently requesting to amend the development agreement to allow for an additional 12-month ELBA due to the downturn in the housing market and delays resulting from construction financing; and

**WHEREAS**, the City Council has in the past approved ELBA requests due to a downturn in the housing market which is an external factor not the result of developer inaction; and

**WHEREAS**, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:**

**SECTION 1. ADOPTION OF DEVELOPMENT AGREEMENT AMENDMENT.** The Planning Commission hereby recommends to the City Council adoption of the Development Agreement Amendment for DAA-05-09C: Del Monte - Giovanni as shown in the attached Exhibit A.

**SECTION 2. EXCEPTION TO LOSS OF BUILDING ALLOTMENT.** The project applicant has, in a timely manner, submitted necessary planning applications to pursue development. Delays in the project have occurred due to external factors not the result of developer inaction, including the downturn in the housing market and delays resulting from construction financing. Based on the findings required in Section 18.78.125 of the Municipal Code and precedent set by the Council to allow a downturn in the housing market to be justification for an ELBA request, the Planning Commission recommends approval of the development agreement amendment to allow a 12-month Exception to Loss of Building Allotment for the six, FY 2006-07 building allotments.

**PASSED AND ADOPTED THIS 26<sup>th</sup> DAY OF MAY 2009, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:**

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSTAIN: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

**ATTEST:**

**APPROVED:**

---

**ELAINE J. BUCK, Deputy City Clerk**

---

**SUSAN KOEPP-BAKER, Vice-Chair**

**EXHIBIT "B"**

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**DEVELOPMENT SCHEDULE MMC-04-05: DEL MONTE - GIOVANNI  
FY 2006-07 (6 allotments)**

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	<b>Currently Approved Date</b>	<b>Requested Date</b>
<b>I. COMMENCE CONSTRUCTION:</b>		
FY 2006-07 (6 units)	<b>June 30, 2009</b>	<b>June 30, 2010</b>

Failure to commence construction by the date listed above shall result in the loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least 3 dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

**RESOLUTION NO. 09-\_\_**

**A RESOLUTION OF THE PLANNING COMMISSION  
OF THE CITY OF MORGAN HILL APPROVING AN  
AMENDMENT TO THE DEVELOPMENT  
SCHEDULE FOR APPLICATION MMC-04-05: DEL  
MONTE - GIOVANNI TO EXTEND THE DATE TO  
OBTAIN BUILDING PERMITS BY 12 MONTHS FOR  
SIX, FY 2006-07 ALLOTMENTS (APN 764-12-025)**

**WHEREAS**, the Planning Commission, pursuant to Chapter 18.78.380 of the Morgan Hill Municipal Code, awarded six building allotments for application MMC-04-05: Del Monte - Giovanni; and

**WHEREAS**, the City Council of the City of Morgan Hill has adopted Resolution No. 4028, establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System (RDCS), Title 18, Chapter 18.78 of the Morgan Hill Municipal Code; and

**WHEREAS**, the Planning Commission has adopted Policy PCP-06-01, establishing a procedure to approve development schedules and extension of time requests by Planning Commission Resolution for projects receiving allotments through the RDCS; and

**WHEREAS**, on December 12, 2006, the Planning Commission adopted Resolution No. 06-102, approving a development schedule for the six building allotments in accordance with Commission Policy PCP-06-01(application DS-05-01: Del Monte – Giovanni); and

**WHEREAS**, on August 14, 2007, the Planning Commission adopted Resolution No. 07-59, amending the development schedule to allow for a six-month extension of time for the six, FY 2006-07 allotments; and

**WHEREAS**, on May 27, 2008, the Planning Commission adopted Resolution No. 08-56, amending the development schedule date for obtaining building permits for the six units to March 30, 2009; this amendment reflects a six-month ELBA (Exception to Loss of Building Allotment) already approved by the City Council by Resolution No. 6140 on December 19, 2007 and an additional 10-month extension of time; and

**WHEREAS**, the applicant is currently requesting to amend the development schedule to allow for an additional 12-month extension of time to obtain building permits due to delays resulting from the downturn in the housing market and construction financing; and

**WHEREAS**, the amended development schedule for application MMC-04-05: Del Monte - Giovanni was considered by the Planning Commission at its regular meeting of May 26, 2009, at which time the Planning Commission approved the amended development schedule.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:**

**SECTION 1. ADOPTION OF AMENDED DEVELOPMENT SCHEDULE.** The Planning Commission hereby adopts the amended Development Schedule for MMC-04-05: Del Monte - Giovanni attached to this Resolution as Exhibit A.

**PASSED AND ADOPTED THIS 26<sup>th</sup> DAY OF MAY 2009, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:**

**AYES: COMMISSIONERS:**

**NOES: COMMISSIONERS:**

**ABSTAIN: COMMISSIONERS:**

**ABSENT: COMMISSIONERS:**

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
**ELAINE J. BUCK, Deputy City Clerk**

\_\_\_\_\_  
**SUSAN KOEPP-BAKER, Vice-Chair**

**AFFIDAVIT**

I, **Dan Gluhaich of Giovanni Development, LLC**, applicant, hereby agree to accept and abide by the terms and conditions specified in this resolution.

**GIOVANNI DEVELOPMENT, LLC**

\_\_\_\_\_  
**Dan Gluhaich, Applicant**

Date: \_\_\_\_\_



**EXHIBIT "A"**

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**DEVELOPMENT SCHEDULE MMC-04-05: DEL MONTE - GIOVANNI  
FY 2006-07 (6 allotments)**

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	<b>Currently Approved Dates</b>	<b>Requested Dates</b>
<b>I. SUBDIVISION AND ZONING APPLICATIONS</b>		
Subdivision Application Filed:	08-18-2005	
Zoning Amendment Application Filed:	06-30-2006	
<b>II. SITE REVIEW APPLICATION</b>		
Application Filed:	09-14-2006	
<b>III. FINAL MAP SUBMITTAL</b>		
Map, Improvements Agreement and Bonds:	08-31-2007	
<b>IV. BUILDING PERMIT SUBMITTAL</b>		
Submit plans to Building Division for plan check:	09-04-2007	
<b>V. BUILDING PERMITS</b>		
Obtain Building Permits:	<del>03-30-2009</del>	<b><i>March 30, 2010</i></b>

Failure to obtain building permits by the date listed above shall result in the loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

To: Planning Commission,

I am asking for a 12 month extension for both my development agreement and development schedule. The reason for the additional time is for a few reasons, 1) I have been in escrow with a buyer for over a year and together we have worked to complete the mapping and building plans, 2) the world of construction financing has changed and we have had to go from conventional money to private money, 3) If for any reason my buyer cannot perform I will need to go out and secure financing to complete the project which will take some time. Currently the map has been processed through the city the only items left is to post the bonds, record the map and pull building permits. I have tried to move as diligently as possible, I hope you will consider granting the extension due to the fact how close to completion we are.

Sincerely,



Dan Gluehreich

Obtain building Permit	
Current	Proposed
3/30/09	3/30/10

Commence Construction	
Current	Proposed
6/30/09	6/30/10

DEVELOPMENT  
SERVICES

MAY 12 2009

CITY OF MORGAN HILL





**MEMORANDUM**

**To: PLANNING COMMISSION**

**Date: May 26, 2009**

**From: COMMUNITY DEVELOPMENT DEPARTMENT**

**Subject: ZONING AMENDMENT, ZA 09-06: CITY OF MORGAN HILL-  
CHANGES TO THE RESIDENTIAL DEVELOPMENT CONTROL  
SYSTEM STANDARDS & CRITERIA**

**REQUEST**

A request to amend Chapter 18.78 of the Morgan Hill Municipal Code, amending the evaluation standards and criteria for proposed residential developments as set forth in Sections 18.78.200 through 18.78.410 of the Municipal Code.

**RECOMMENDATION**

Open Public Hearing/Adopt Resolution approving final draft ordinance for adoption by the City Council.

**BACKGROUND**

Section 18.78.188(C) of the Residential Development Control System (RDSCS) Ordinance requires the Planning Commission to review the standards and criteria following each competition, and to decide whether any changes or amendments are necessary for the next competition. A Subcommittee of the Planning Commission was appointed to evaluate the proposed changes to be recommended to the City Council for adoption. The Subcommittee was comprised of three Planning Commissioners (Moniz, Koepp-Baker and Mueller) and a Working Group consisting of one developer rep (Dick Oliver with Dividend Housing) and two members of the City's Park and Recreation Commission (Katherine Hart-Mason and Mark Frederick). City Staff involved in the evaluation process were also consulted and provided input to the Subcommittee.

The following are the Subcommittee Work Plan items and other changes recommended by the Subcommittee. The Subcommittee recommendations are in *italic* typeface.

## **Procedures for evaluating Micro Projects**

Section 18.78.040 of the Municipal Code requires the residential development control system to be designed “to provide for small development through appropriate means selected by the City Council, such as a separate small project competition and a more streamlined and less costly process.” A separate competition process is provided for micro projects (projects of six or fewer units in size) under Article III, beginning in Section 18.78.340 of the Municipal Code.

The evaluation categories that are used to evaluate micro projects were amended in 2008. The change was intended to streamline the process of evaluating micro projects using 9 of the 14 evaluation categories. The change had the unintended effect of making it more difficult for a one or two dwelling unit development to receive the minimum 150 points required to qualify for a building allotment. The subcommittee should consider adding back the Schools category to the micro project competition.

*The Subcommittee is recommending the School category be added back as one of the evaluation categories and the Natural and Environmental category be removed as one of the micro competition scoring categories. These changes have been incorporated in the attached ordinance.*

## **Define Central Core Boundary Line**

Under the Orderly and Contiguous category, points are awarded based on a project’s location relative to a “central core area” as shown in the attached exhibit. The difficulty scoring projects located outside the central core area is that the boundary line is not clearly defined. Staff proposes to define the central core area boundary line for scoring purposes under criterion B1 in this category.

*The Subcommittee agreed to define the central core boundary as the outside edge of the street rights-of-way or on the property line where boundary extends as a straight line extension from the street. Prior to the next RDCS competition, staff will include in the application packet a central core boundary map on GIS that is consistent with this definition. A map showing the central core area is attached to this report as an exhibit.*

## **Part 2 Scoring Criteria**

### **Schools Category:**

Criterion B4 – Provides an on site community room for after school education programs and available to the School District. The Commission is requesting the subcommittee review this criterion given limited or no school funding that would allow the School District to use these community room facilities.

*The Subcommittee recommends criterion B4 be deleted and the point value under criterion B3 be increased from four to six points. The recommended point distribution is up to two points for safety improvements in proximity to a school (no change) and up to four points (increase of two points) for safety improvements on roadways that service schools within the City's USA.*

Delete the note under criterion B2, where full market value credit will be applied to a direct payment to the School District for donated land, construction, or other services provided by a developer or property owner that relate to the provision of school facilities. This note is a carryover before a change in State Law regarding the funding of school facilities.

*The Subcommittee agrees the note should be deleted here but should remain in criterion B1 where 16 points are awarded for payment of school impact fees. The note gives the developer flexibility to work with the School District to provide other funding opportunities for schools in lieu of the district-adopted developer fees.*

#### **Orderly & Contiguous Category:**

Criterion B5 – The point range in the first paragraph should include the “– 1” scoring possibility. The Note should include what is needed for a 2 point award.

*The Subcommittee added a minus one point to the criterion and added a sentence that adds an additional point, for a total of two points if a preliminary RDCS review was completed prior to the competition and the project master plan incorporates fundamental changes as recommended by city staff. Projects that go through a preliminary RDCS review and require only very minor changes to improve the quality of the project master plan design will also receive an additional point for a two point award.*

#### **Open Space Category:**

Criterion 2a - Open Space 2a table line 1: the first 35 should be 30.

*Staff determined that this a typo in the project narrative document, not in the Municipal Code and will be corrected for the next RDCS competition.*

Criterion B5 – Project Master Plan. Review filing requirement and plan specifications for project Master Plans, and necessity to “score the whole of the project.”

*For project master plans with 100 or more lots, the Subcommittee recommends that detailed plan specifications be required only for the phase of the overall master plan under review for the RDCS competition. The project master plan must also include sufficient detail or information to determine percent of open space for the entire project at build out.*

## **Parks and Paths Category:**

Criterion B2 – Review the site recreation amenities list and point values as it would apply to small project and higher density developments.

*The Subcommittee recommends the four point amenity category be eliminated and the water feature amenities in other scoring categories be deleted to conserve water...*

*Criterion B5 – two points are awarded where a proposed project contributes toward the creation of a neighborhood park by providing a coordinated development plan which locates on-site parks so as to allow expansion of these areas into adjoining future development. The Subcommittee generally agreed that this criterion has not worked as intended because the project 'on-site park' is private and is owned and maintained by an HOA. The adjoining future parking area is in an adjoining development under a different ownership and HOA. Because of liability concerns, the adjoining park areas are fenced off from one another.*

*As and alternative to the current B5 criterion, the Subcommittee recommends the following criterion:*

*For projects of more than 150 units, provide an on-site neighborhood park at a location accessible from an adjacent public street or provide an off-site public neighborhood park at a location approved by the city with agreement prior to the competition that the city will accept the dedication offer. (3 points)*

Criteria B6 and B7 – Review the points awarded for payment of park in-lieu fees when a developer and consider additional efforts for a commitment that provides dedicated public park land in lieu of common HOA owned open space.

*The Subcommittee recommends the fees collected under these criteria be reserved exclusively for park land acquisition and park improvements. It was agreed that this requirement should be included in the RDCS implementation policies not the implementing ordinance. A separate policy memorandum will be prepared for the full Commission and City Council consideration prior to Council adoption of the current RDCS text amendments. Staff may forward an alternative recommendation, to enable "double fees" to be able to continue to pay for parks maintenance.*

Criterion B8 – The subcommittee needs to consider whether full credit should be given for parkland space created by reducing lot sizes below the zoning minimum.

*The Subcommittee recommends that full credit should be given for park land, even if that space is created by reducing lot size below the base zone minimum.*



## **Quality of Construction Category:**

Criterion B1 – Uses design and construction that conserve resources. Points are awarded by scoring in a range of points on the Build it Green (BIG) checklist. Use of the BIG checklist is currently limited to the version in effect as of the October 1 RDCS filing deadline. The subcommittee should consider the necessity of including the checklist with the RDCS application and allow the latest checklist to be used as part of the subsequent entitlement process, since many units would not occur until years after the competition and the BIG checklist will continue to be refined. Points under this criterion would be based solely on the scoring commitment on the BIG checklist.

*The Subcommittee recommends using the version of the BIG checklist in effect prior to the RDCS competition. Subcommittee members were concerned about potential higher project costs associated with using a later version of the checklist that would be approximately two years out when entitlements are received.*

This is a policy matter given that the scoring criterion does not restrict the version of the BIG checklist for use in the subsequent entitlement process. Staff does not agree with the Subcommittee's recommendation for the reasons stated above. The BIG checklist will continue to be refined and the City and the developer should have the opportunity to apply these refinements and the new point opportunities at time of construction.

*To reduce project costs, the Subcommittee recommends that project need only to be verified as meeting the point commitment at time of competition, as opposed to being certified and rated by a BIG rater before obtaining a final inspection on the building permit and that a Logo Use Agreement not be required.*

Staff agrees with the recommended changes. The City's building inspection staff will receive training and will be able to verify BIG point commitments as part of our building inspection service.

## **Housing Needs Category:**

Criterion B4a and Housing Types criterion B2a – Need some clarification to indicate how the rounding, if any, will be done when there is a mixed requirement 5% low and 5% median BMRs or 8% low and 2% median.

*Staff recommends the following note be added as clarification:*

### NOTE:

For projects that commit to provide a certain percentage of total units as affordable Below Market Rate units, any fractions equal to or greater than 0.5 shall be rounded up to the next whole number. Additionally, whenever the project's individual commitment of low and median/moderate income units combines to equal 0.5 or greater, the project shall be required to provide one additional median income unit in the final phase of the development.



*The Subcommittee agreed the above note should be added.*

Criterion B2 – Wording needs correction. It should probably reflect the Planning Commission's consensus that 10 to 15% was required to get the 2 points.

*The Subcommittee recommends 15 percent or less be changed to "a minimum of 10 percent and less than 25 percent of the overall units as single detached dwellings."*

### **Housing Types Category:**

Criterion B4 – The note after #4 should be moved up to just before #4.

*This note was moved to the correct location in the revised ordinance.*

### **Lot Layout & Orientation Category:**

Criterion B3b – One point is awarded for projects that provide a minimum five-foot rear setback variation between adjoining units for single-family dwellings, and four-foot rear yard setback variation between adjoining units for multi-family dwellings. For scoring purposes, there needs to be some clarification to indicate that (per staff's historical scoring) that only a majority of the lots need to meet this criterion.

*The Subcommittee determined a commitment to show variation in setbacks will be considered to all future phases and lots in the subdivision. No change to the scoring criterion is required.*

Criterion B1a – Needs some clarification to indicate that (per staff's historical scoring) only the primary structure is considered for setbacks and that a structure's average side setback is used. An issue that should be discussed and clarified is what setbacks should be required for lots less than the zoning district minimum (e.g. in a Planned Development).

*To provide clarification, text will be added to the criterion to provide that side yard setbacks that are 20 percent in excess of the minimum required by the zoning district that most closely matches the proposed lot size applies to structures within the principal building setback, and exceptions may apply to detached garages and accessory buildings.*

### **Circulation Efficiency:**

Criterion B1f – Avoids short blocks between existing and/or proposed streets. The Commission requests the subcommittee review what defines a "short block."

*Staff and the Subcommittee recommend the following note be added to B1f as clarification and to allow exceptions:*

*Note: Should a project propose a short block due to site constraints such as parcel size, the project will need to go through the preliminary RDCS review process prior to the competition and receive written acknowledgement from city staff that the creation of a short block is unavoidable and acceptable. One point may be awarded under this process as an exception.*

### **Public Facilities:**

Criterion B2d – Storm drainage from the development is accommodated without the need for an on-site detention pond or open space retention areas unless on-site facility is appropriately located and sized so as to serve or coordinate with future area-wide or adjacent development. Consider the pros and cons of having oversize underground pipes or cisterns for small projects to handle storm water instead of an on-site detention basin.

*The Subcommittee and Public Works staff determined that oversized underground pipes are not viable because of maintenance requirement over time, such as sediment removal, and the need to treat storm water run-off through bio-swales and other treatment measures.*

### **RDCS Implementation Policies**

Consider a possible extension of the BMR reduction program and fee deferrals from September 30, 2010 to 2011 for projects awarded building allocations through Fiscal Year 2009-10.

*The Subcommittee recommends a one year extension of this program. The City Council has already received a request to consider this extension.*

### **Attachments:**

1. Resolution recommending amendments to the RDCS Evaluation Criteria
2. Exhibit A RDCS Zoning Text Amendments
3. Central Core Area Boundary Map



Central Core Area

0 250 500 1,000 1,500 2,000  
Fest  
1 inch equals 1,000 feet



## RESIDENTIAL DEVELOPMENT CONTROL SYSTEM:

### Central Core Map



**RESOLUTION NO.**

**A RESOLUTION OF THE PLANNING COMMISSION OF  
THE CITY OF MORGAN HILL RECOMMENDING  
APPROVAL AN AMENDMENT TO CHAPTER 18.78 OF  
THE MORGAN HILL MUNICIPAL CODE .**

**WHEREAS**, such request was considered by the Planning Commission at their regular meeting of May 26, 2009, at which time the Planning Commission recommended approval of an amendment to the Residential Development Control System Standards and Criteria; and

**WHEREAS**, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES  
RESOLVE AS FOLLOWS:**

**SECTION 1.** The proposed amendment is consistent with the Zoning Ordinance and the General Plan.

**SECTION 2.** The proposed amendment is exempt from environmental review under Section 15061(b)(3) of the CEQA Guidelines.

**SECTION 3.** The zoning text amendments are required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

**SECTION 4.** The Planning Commission hereby recommends amending Title 18, Chapter 18.78 of the Morgan Hill Municipal Code to include recommended modifications to the Residential Development Control System under Article II of the Standards and Criteria and Procedures and Article III, Micro Competition Procedures as contained in Exhibit "A" to the attached ordinance.

**PASSED AND ADOPTED THIS 26TH DAY OF MAY 2009, AT A REGULAR MEETING  
OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:**

**AYES:            COMMISSIONERS:**

**NOES:           COMMISSIONERS:**

**ABSTAIN:       COMMISSIONERS:**

**ABSENT:        COMMISSIONERS:**

**RESOLUTION NO.**  
**PAGE – 2 –**

**ATTEST:**

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**Elaine Buck, Deputy City Clerk**

**APPROVED:**

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**Susan Koepp-Baker, Chair**

**ORDINANCE NO. , NEW SERIES**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING ARTICLE II AND ARTICLE III, THE STANDARDS AND CRITERIA AND MICRO PROJECT COMPETITION PROCEDURES OF THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM AS SET FORTH IN CHAPTER 18.78 OF THE MORGAN HILL MUNICIPAL CODE.**

**THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN:**

**SECTION 1.** The Residential Development Control System (RDCS) is codified at Chapter 18.78 of the Municipal Code. Section 18.78.188(C) of the RDCS Ordinance requires the Planning Commission to review the evaluation standards and criteria following each competition, and to decide whether any changes or amendments are necessary for the next competition. In accordance with the RDCS as recommended by the Planning Commission, the City Council hereby updates and amends the provisions of Article II and Article III of Chapter 18.78, and accordingly adopts the Code amendments set forth in the attached Exhibit "A."

Changes from the text of the Morgan Hill Municipal Code amending Articles II and III are shown by strikeout text for deletions, and bold italic text for additions.

**SECTION 2.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 3.** Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at a meeting of the City Council held on the 17th day of June, 2009, and was finally adopted at a meeting of the City Council held on the day of , 2009, and said ordinance was duly passed and adopted in accordance with law by the following vote:

**AYES: COUNCIL MEMBERS:**

**NOES: COUNCIL MEMBERS:**

**ABSTAIN: COUNCIL MEMBERS:**

**ABSENT: COUNCIL MEMBERS:**

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
IRMA TORREZ, City Clerk

\_\_\_\_\_  
STEVE TATE, Mayor

R:\PLANNING\WP51\Zoning Amendment\2009\ZA0906 RDCS Ordinance Amendments\ZA0906.o1c.doc

## Exhibit A

### Article II. Specific Policies

#### 18.78.180. A Summary of Standards and Criteria.

##### Part 2 Specific Standards and Criteria

18.78.210	<b>Schools</b>	<b>Maximum Awarded:</b>	<b>25</b>
			<u>Points</u>
			<u>Available</u>
	1. Developer fees		16
	2. Safe walking routes		6
	3. Off-site pedestrian safety improvements		4 6
18.78.230	4. Community Room for after school programs		<del>2</del>
			28
	<b>Orderly and Contiguous</b>	<b>Maximum Awarded:</b>	<b>20</b>
			<u>Points</u>
			<u>Available</u>
	1. Near central core		8
18.78.250	2. Fills in existing utilities		5
	3. Adjacent to existing development		5
	4. Subsequent phase of development		2
	5. Quality of project master plan		<del>1</del> 2
			21 22
	<b>Parks and Paths</b>	<b>Maximum Awarded:</b>	<b>10</b>
			<u>Points</u>
			<u>Available</u>
	1. In lieu fee – smaller projects		4
	2. Amenities		4 3
	3. Bike paths/equestrian trails		1
	4. Downtown area		1
	5. Neighborhood park		2 3
	6. Additional park fees: double		3
	7. Additional park fees: triple		6
	8. Exceed dedicated land requirement		<del>4</del>
			25

(Ord. 1887, N.S. § 1, 2008; Ord. 1839, N.S. § 1, 2007; Ord. 1731, N.S. § 1, 2005)



Part 2. Specific Standards and Criteria

**18.78.210 Schools.**

A. "The provision of school facilities and amenities as attested by agreement with the Morgan Hill Unified School District (MHUSD) to the extent such consideration is not in conflict with state law.

..... (25 points)

B. Standard and Criteria:

1. **Sixteen points** will be awarded for the payment of the district-adopted developer fees as provided by the Leroy F. Greene School Facilities Act of 1998. Full market value credit will be applied to a direct payment to the School District, for donated land, construction, or other services provided by a developer or project property owner that relate to provision of school facilities. (Ord. 1731, N.S. § 1, 2005)

2. Up to **six additional points** may be awarded to a project where:

At the time of application submittal or applicant commits as part of the first year of the first phase of the current application, a safe walking route exists or will be provided between the project site and existing or planned MHUSD schools. A safe route is defined as continuous sidewalks and/or paved pedestrian pathways, cross walks and traffic signals at designated street intersections between the project and a school site. (Ord. 1887, N.S. § 1, 2008)

The distance to a school is measured as the lineal distance a student would walk, from the average center point of housing in a project to the nearest entrance point of the nearest school grounds.

a. The project is within 3/4 of a mile of a school serving grades K through 3 and:

i. The students are not required to cross railroad tracks, or a street that is designated within the General Plan as a collector or arterial. **(one point)** (Ord. 1839, N.S. § 1, 2007)

b. The project is within 3/4 of a mile of a school serving grades 4 through 6 and:

i. The students are not required to cross railroad tracks, or a street that is designated within the General Plan as an arterial. **(one point)** (Ord. 1839, N.S. § 1, 2007)

c. The project is within 1.5 miles of a middle/intermediate school and:

i. The students are not required to cross railroad tracks, or a street that is designated within the General Plan as an arterial unless the most direct street crossing can occur at a signalized intersection. **(one point)** (Ord. 1839, N.S. § 1, 2007)

d. The project is within 1.5 miles of Live Oak or Sobrato high school. **(two points)**

e. Proposed development will be for senior citizens as defined in Section 51.2 of the State Civil Code. All senior housing units shall include at a minimum the following features: One zero-step entrance on an accessible route; all main floor interior doors, including bathrooms, with 32 inches of clear passage space; and a main floor bathroom usable for a person in a wheelchair. **(six points)**  
(Ord. 1839, N.S. § 1, 2007)

**NOTE:** For scoring purposes, the anticipated attendance area for an existing or planned school shall be as determined by the Board of Education and published by the School District as of September 15 of the fiscal year for each competition. A planned school is defined as a site designated by the School Board for a future school prior to September 30 of the fiscal year the competition is held. Scoring for a multi-year/phased development includes recognition of all pedestrian safety or traffic improvements provided in the initial or previous phases of the development. Improvements required to establish a safe walking route (sidewalks, paved paths, traffic signals, etc.) must be in place when the project is ready to build or the improvements will be completed by the project. (Ord. 1887, N.S. § 1, 2008; Ord. 1731, N.S. § 1, 2005)

3. Up to **four six additional points** may be awarded to a project which:
  - a. Provides off-site pedestrian safety improvements or traffic safety improvements, including adjacent related roadway improvements near a MHUSD school. Any proposed pedestrian and traffic safety improvements cannot be redundant of improvements committed to in other categories. The cost of the improvements must be valued at \$825 per point per unit. The pedestrian improvements and traffic safety improvements must be made to an elementary school within 3/4 of a mile (straight line distance) of the edge of project site or the same improvements can be made to a middle or high school within the City's Urban Service Area (USA). **(up to two points for safety improvements in proximity to a school and up to two four points for safety improvements on roadways serving schools within the City's USA)** (Ord. 1839, N.S. § 1, 2007)

**Note:** The public improvements offered under the above section must be separate from the public improvements offered under Section B.2.f of the Public Facilities Category, Section B.3 of the Circulation Efficiency Category or B.4 of the Livable Communities Category. (Ord. 1839, N.S. § 1, 2007; Ord. 1731, N.S. § 1, 2005)

For safe walking route improvements, applicants must also provide a letter from each intervening property owner stating agreement to dedicate the required street right-of-way for the sidewalk or pathway improvements between the project site and the designated school. Improvements to establish a safe walking route must be completed prior to completion of the 20<sup>th</sup> unit in the development or completion of the project, whichever occurs first. (Ord. 1731, N.S. § 1, 2005)

4. ~~Provides an on-site community room that is specifically designed for and can be used for after school educational programs such as homework tutoring, music lessons, etc., and is available for use at no cost to the Morgan Hill Unified School District. For education instruction purposes, the size of the community room shall be a minimum 256 square feet plus 32 square feet for each expected student above 8 students, based on a student generation rate for the development calculated at .75 students per dwelling unit. The maximum room size, serving 30 students is 960 square feet. (two points) (Ord. 1839, N.S. § 1, 2007; Ord. 1731, N.S. § 1, 2005)~~

~~**Note:** Full market value credit will be applied to a direct payment to the School District, for donated land, construction, or other services provided by a developer or project property owner that relate to provision of school facilities. (Ord. 1887, N.S. § 1, 2008; Ord. 1839, N.S. § 1, 2007; Ord. 1731, N.S. § 1, 2005; Ord. 1677 N.S. § 1, 2004; Ord. 1575 N.S. § 1, 2002; Ord. 1517 N.S. § 1, 2001; Ord. 1486 N.S. §§ 1 & 2, 2000; Ord. 1404 N.S. § 1, 1998; Ord. 1346 N.S. § 1, 1997; Ord. 1304 N.S. §§ 1 & 2, 1996; Ord. 1228 N.S. § 2, 1995; Ord. 1179 N.S. §§ 5 & 6, 1994; Ord. 1124 N.S. § 1 (part), 1993; Ord. 1034 N.S. § 1 (part), 1991)~~

#### **18.78.230 Orderly and contiguous development.**

A. "The extent to which the proposed development accomplishes the orderly and continuous extension of existing development rather than "leapfrog" development, by using land contiguous to urban development within the city limits or near the central core and by the filling in on existing utility lines rather than extending utility collectors.

..... (20 points)"  
For scoring purposes, "the central core" is the area illustrated on the Central Core Map, attached as Exhibit B and described generally as that area bounded on the west by Del Monte Avenue from Wright Avenue to Ciolino Avenue and by West Little Llagas Creek from Ciolino Avenue to Cosmo Avenue; on the east by the rail road tracks from the easterly prolongation of Wright Avenue to Main Avenue, by Butterfield Boulevard from Main Avenue to Dunne Avenue, and by Church Street from Dunne Avenue to the easterly prolongation of Cosmo Avenue; on the north by Wright Avenue and its easterly prolongation to Church Street.

1. A well-planned community is one which provides for the needs of its residents. Convenience, economy, and service are aspects which an orderly and contiguous development pattern can help facilitate.

B. Standards and Criteria.

1. Develops lands near the central core of the city as defined by Exhibit "B" to Measure "C" approved by the voters on March 2, 2004. There is a benefit for development to be within the central core area. However, it is recognized that the city does not have a well defined central core. Therefore, greater emphasis is to be given to contiguous patterns of growth. Projects within the core area will receive eight points. Projects located outside the core area will receive from **zero to seven points** depending on their relationship to the core area as shown below:

- a. Within central core, **8 points**,
- b. Within six hundred feet of the central core area, **7.5 points**;
- c. Within one thousand two hundred feet of the central core area, **7 points**;
- d. Within one thousand eight hundred feet of the central core area, **6.5 points**;
- e. Within two thousand four hundred feet of the central core area, **6 points**;
- f. Within three thousand feet of the central core area, **5.5 points**;
- g. Within three thousand six hundred feet of the central core area, **5 points**;
- h. Within four thousand two hundred feet of the central core area, **4.5 points**;
- i. Within four thousand eight hundred feet of the central core area, **4 points**;
- j. Within five thousand four hundred feet of the central core area, **3.5 points**;
- k. Within six thousand feet of the central core area, **3 points**;
- l. Within six thousand six hundred feet of the central core area, **2.5 points**;
- m. Within seven thousand two hundred feet of the central core area, **2 points**;
- n. Within seven thousand eight hundred feet of the central core area, **1.5 points**;
- o. Within eight thousand four hundred feet of the central core area, **1 point**;
- p. Within nine thousand feet of the central core area, **½ point**;
- q. More than nine thousand feet from central core area, **zero points**.

**Note:** If any portion of a project is within the central core, as defined by the PO, that project shall be considered within the central core area. The distance from the central core shall be measured using the minimum distance between any portion of a parcel and the central core boundary measured in a straight line.

2. Fills in existing utility lines (requires no off-site extensions) and provides a contiguous pattern of growth. If water is available at the site and the water main is of sufficient capacity and supply to serve the proposed project and future development, the project will receive **one point**. If sewer is available to the site and the sewer main has sufficient capacity to serve the proposed project and future development, the project will receive **one point**. If storm drains are of sufficient capacity to serve the project and are available to the site, the project will receive **one point**. If the project is located within the established response time standard of one fire station, the project

will receive **one point**. If the project is located within the established response time standard of two or more fire stations, the project will receive **one additional point**. (Ord. 1839, N.S. §1, 2007)

3. A proposed development located within the existing urban service area which provides for orderly growth and urban in-fill is preferable and helps prevent premature urbanization of agricultural land. Projects that provide for orderly growth patterns throughout residential neighborhoods and compatibility with adjacent and nearby land uses are preferable. Projects that are located adjacent to land that has been developed or approved for development shall be scored as follows:

- a. > 0 -- 20% Adjacent to existing development, **one point**
- b. >20 -- 40% Adjacent to existing development, **two points**
- c. >40 -- 60% Adjacent to existing development, **three points**
- d. >60 -- 80% Adjacent to existing development, **four points**
- e. >80 -- 100% Adjacent to existing development, **five points**

Adjacent development is defined as contiguous property located within MH's city limits, urban service area, or urban growth boundary (UGB) and which is developed to its ultimate potential according to the city's General Plan or zoning of the property, or at least substantially developed according to the General Plan or zoning. To be considered substantially developed, at least ninety-five percent of the contiguous land area must be committed or developed to its ultimate use. Contiguous property does not include streets, railroad rights-of-way, or parcels held in fee title by a public utility or public agency containing above or below ground utilities such as gas pipelines, electric power transmission lines, or major water distribution pipelines.

County lands dedicated as a public facility or encumbered with an open space easement, or contiguous property within MH's UGB committed to an ultimate land use such as a city park, developed school site, or private open space will also be considered as adjacent development. Open space lands which are owned in private must have a public open space easement recorded over the corresponding area. For scoring purposes, undeveloped property which by September 15<sup>th</sup> of the fiscal year the competition is held has received either final map approval, or tentative map and development agreement approval for projects with previously completed phase(s), or for which building permits have been issued, shall be considered to be developed property. The perimeter established for the complete (master-planned) project will be used to determine adjacency for every RDCS submittal. Where previously allocated phases of the same project have been developed or have received final map approval and are immediately adjacent to an otherwise undeveloped external boundary, that portion of the project's perimeter shall then be considered developed, provided the project is making satisfactory progress according to the approved development schedule (project is

not in default). (Ord. 1731, N.S. § 1, 2005)

The percentage of a property that is adjacent to development shall be that percentage of the combined length of the subject property lines which is determined to be contiguous to adjacent development as defined in this subsection. The subject property is defined as a single parcel or contiguous parcels of record on which the proposed project would be located and shall include that portion of the subject property designated for future development. A designated remainder parcel shall not be considered a portion of the subject property except where development on all or a portion of the remainder parcel is proposed as part of the current project application.

4. A proposed development which is a subsequent phase of a previously approved project that has been awarded allotments provides for the continuous extension of existing development.

a. A proposed development which is a subsequent or final phase of a previously allocated development and consists of 40 dwelling units or less shall be awarded one point. (**one point**) (Ord. 1731, N.S. § 1, 2005)

b. A continuing project will receive **two points** if one half of the units allocated for the fiscal year the competition is held have been issued building permits and on-site improvements for those units have been completed by September 15, AND all prior phases are under construction or completed (excluding customs). (**two points**) (Ord. 1731, N.S. § 1, 2005)

**OR**

If a proposed development is a continuing project and does not have any allocations for the FY the competition is held, the project will receive **two points** if all previous phases (if any) are under construction. (Ord. 1731, N.S. § 1, 2005)

**Note:** To qualify for any points under paragraph B4, the proposed development at total build-out, shall not exceed the number of units proposed in the original Development Application from which the project had been awarded an initial building allotment, unless approved by the Planning Commission prior to the competition's application submission deadline. The number of units requested for each subsequent fiscal year shall be no more than 25% above any single highest year allotment for the proposed project to a maximum of 40 units. The 25% or 40-unit limit includes any units already allocated to the project in that fiscal year as a result of a prior fiscal year competition. For Subsection B4a and B4b above, all prior allotments must also have an approved development agreement and the project must be in compliance with said agreement. (Ord. 1731, N.S. § 1, 2005)

5. Project Master Plan design is above average in terms of addressing internal street circulation and access requirements, appropriate transition of lot size and density within the development and with surrounding developments, and aggregation and use of common open space areas. (**minus one, zero, one or two points**) (Ord. 1839, N.S. § 1, 2007)

**Note:** Project Master Plan determined to be only satisfactory with respect to the above items will be awarded zero points. A project will be awarded one point if no significant design flaws can be found, and the design gives strong consideration to the issues of circulation, access, density transitions, and the use of common open space. *A project will be awarded an additional point if a preliminary RDCS review was completed prior to the competition and the project master plan incorporates fundamental changes as recommended by city staff. Projects that go through a preliminary RDCS review and require only very minor changes to improve the quality of the project master plan design will also receive an additional point for a two point award.* If a project master plan has two or more significant design flaws, it will be considered below average and one point will be taken away. A design flaw would be something that, at the subdivision stage, staff would ask to be modified or not recommend for Planning Commission approval. Significant design flaws would basically require the redesign of the master plan. For scoring purposes, that portion of an on-going project awarded a building allotment prior to October 1, 1999, shall not be considered within the Project Master Plan design, except where the inclusion of the earlier allocated phase(s) would result in a higher overall score. (Ord. 1839, N.S. § 1, 2007); Ord. 1731, N.S. § 1, 2005); Ord. 1677 N.S. § 1, 2004; Ord. 1575 N.S. § 4, 2002; Ord. 1517 N.S. § 4, 2001; Ord. 1486 N.S. §§ 5 & 6, 2000; Ord. 1438 N.S. §§ 2 & 3, 1999; Ord. 1404 N.S. § 5, 1998; Ord. 1346 N.S. §§ 3 & 4, 1997; Ord. 1228 N.S. § 4, 1995; Ord. 1179 N. S. § 8, 1994; Ord. 1124 N.S. § 1 (part), 1993; Ord. 1034 N.S. § 1 (part), 1991)

#### **18.78.250 Parks and paths.**

A. "Provision of parks, foot or bicycle paths, equestrian trails or pathways.

..... (10 points)"

1. The Morgan Hill area has many natural amenities that should be made accessible to its residents. Access should be made readily available by using a variety of methods, including foot and bicycle paths, and equestrian trails. By providing the opportunities to experience the areas natural amenities, a healthier attitude towards caring for and preserving the environment will be encouraged.

B. Standards and Criteria.

1. In lieu of dedicating land, projects of 50 units or less which are not providing parks are required to pay a fee to the city equal to the value of the land prescribed for dedication. The amount of park land dedication or in lieu fee must be consistent with the requirements contained in Chapter 17.28 of this code. For the land dedication to apply, the property must be deeded to the City

for public park purposes. Not applicable to passive open space or landscape buffer areas deeded to a homeowners association. **(four points** for projects of 50 units or less which are **not** providing parks) (Ord. 1839, N.S. § 1, 2007; Ord. 1731, N.S. § 1, 2005)

2. Provides privately owned and maintained on-site recreational amenities which are of greater value and utility from the following list. Projects 50 or less units will receive credit for a maximum of one amenity from the one point category list. Projects more than 50 units will only receive credit for amenities provided from the two point or higher point category lists. **(up to four points)** (Ord. 1839, N.S. § 1, 2007)

**Site Recreation Amenities (Ord. 1839, N.S. § 1, 2007)**

<p><b><u>One point amenities:</u></b>  Shuffleboard  Horseshoes  Bowling green  Passive recreation area and/or gardens  Passive water feature (e.g. fountain)  Picnic/barbeque area</p>	<p><b><u>Three point amenities:</u></b>  Softball Field  Sports Court  Restroom area  ½ scale Soccer Field  Tot lots (age appropriate play equipment/minimum 3 activities)  Basketball Court ( 2 hoops)  Child wading pool</p>
<p><b><u>Two point amenities:</u></b>  Cabana or Shade trellis area  Two picnic/barbeque areas  Volleyball court  Outdoor racquetball/handball tilt-up wall  Water feature (pond, creek area)  Artificial turf areas  Sauna  Tree Grove as approved by the City's Architectural Review Board <i>Community Development Director or designated staff</i>  Community garden plots with water service  ½ court basketball (one hoop)  Bridle paths  Bocce Ball  Putting Green</p>	<p><b><u>Four point amenities:</u></b>  Child Care Facility  Swimming Pool  Tennis Court  Recreation Hall  Exercise Room  Indoor racquet sports court  Par 3 course and/or pitch and putt golf course</p>



Points will also be awarded for any proposed amenity found by the Planning Commission to provide recreation or meet the needs of the project residents to a level similar to provided by the above. Point values in the above chart are based on a project 50 units or less in size. For projects of 51 to 100 units, divide the above values by two. For projects of 101 - 150, divide the above point values by three, etc. (Ord. 1839, N.S. § 1, 2007)

3. Provides Class I bicycle pathways or equestrian trails along the project frontage, or provides pedestrian paths consistent with the City's Trails Master Plan or Downtown Plan in accordance with the overall community-wide and/or county-wide bicycle master plans. In areas where a Class I bike path is not required, the project provides necessary street improvements and striping for Class II bike lanes. The project must provide at least one quarter mile of Class II bike lane improvements for each 10 dwelling units within the project. **(one point)** Ord. 1839, N.S. § 1, 2007)

4. Projects located in the Downtown Area may be awarded up to one point based on the following criteria: (Ord. 1839, N.S. § 1, 2007)

a. The project provides ground floor mid block pedestrian connections through large buildings that provide access to public or private open space areas and plazas. For the criterion to apply, the pedestrian connection must be continuous and unrestricted during business hours. **(one point)** (Ord. 1839, N.S. § 1, 2007)

~~5. Proposed project will contribute toward the creation of a neighborhood park by providing a coordinated development plan which locates on-site parks and other permanent open space areas so as to allow expansion of these areas into adjoining future developments. A conceptual plan showing how the future park expansion may be implemented must be included in the project application. The conceptual plan shall identify the park area, list the number of amenities and show the layout of the amenities in the proposed park. Where necessary or appropriate, the plan should also allow these areas to be jointly utilized for storm water detention serving the proposed project and future area-wide development. **(two points)**~~

*For projects of more than 150 units, provide an on-site neighborhood park at a location accessible from an adjacent public street or provide an off-site public neighborhood park at a location approved by the city, with an agreement prior to the competition that the city will accept the dedication offer. **(3 points)***

6. In addition to payment of standard park fees, applicant will pay the lesser of double the required in lieu park fees or \$ 1100 per point up to \$ 3300 per unit. **(up to three points)** or

7. Applicant (projects of 50 units or less who do not provide a park) will pay the lesser of triple the required in lieu park fees or \$ 1100 per point up to \$ 6600 per unit. **(up to six points)** (Ord.

1839, N.S. § 1, 2007)

8. For projects of less than 150 units, public or private parks provided by the project exceed the dedicated land requirements stated in Chapter 17.28 of the Morgan Hill Municipal Code. (**one point** if exceed the requirement by 20%, **two points** if exceed by 30%, or **three points** if exceed by 40%, or **four points** if exceeds by 50%).

**Note:** The number of recreational amenities required pursuant to Section 18.18.060 shall be based on the total number of dwelling units within the project, including secondary dwelling

units as defined in Section 18.04.164 of this title.

Scoring for a multi-year/phased development includes recognition all recreational amenities provided in the initial or previous phases of development (amenities provided to date vis-à-vis project completed to date). The initial phase of development must also be in compliance with the development schedule approved for the project. (Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005; Ord. 1677 N.S. § 1, 2004; Ord. 1575 N.S. § 8, 2002; Ord. 1517 N.S. §§ 6, 7 & 8, 2001; Ord. 1486 N.S. §§ 7 & 8, 2000; Ord. 1438 N.S. §§ 5 & 6, 1999; Ord 1404 N.S. § 6, 1998; Ord. 1346 N.S. § 6, 1997; Ord. 1228 N.S. § 6, 1995; Ord. 1179 N.S. § 10, 1994; Ord. 1124 N.S. § 1 (part), 1993; Ord. 1034 N.S. § 1 (part), 1991)

#### **18.78.260 Housing needs.**

A. "Provision of units to meet the city's need for low and moderate income and elderly housing and the extent to which such provision meets the goals of the housing element of the general plan, including the distribution of housing types to provide neighborhoods of ethnic and economic diversity.

..... (15 points)"

1. The city has an obligation to provide adequate housing for all segments of the population in a variety of lot sizes and dwelling types. It must do this in a fashion which creates diversified neighborhood environments and income groups, avoiding concentrations of any single income group in one particular residential neighborhood. A neighborhood mix of ethnic and economic diversity, as required by the housing element of the general plan will therefore be encouraged.

B. Standards and Criteria.

1. Provides affordable housing units for households ranging from very low to moderate income. Most units sold or rented at below market rates will receive increased density.

2. The project provides 15 percent of the total dwelling units with secondary (granny)

units. In lieu of secondary dwelling units, projects in a R-2 district provides *a minimum of 10 percent and less than 25* percent or less of the overall units as single detached dwellings. **(two points)** (Ord. 1887, N.S. § 1, 2008; Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005)

3. The project will receive **six points** if it chooses to pay the standard housing mitigation fee computed at ten percent of the total project.

4. **Affordable Units For Sale or Rent:** (Ord. 1887, N.S. § 1, 2008)

a. Projects are eligible to receive points in this category based on the percent and level of affordability of below market rate units built within the project. When in the process of determining the number of below market rate units required, there occurs a fraction of a unit, any fraction less than .5 shall be paid as a corresponding fraction or percentage of the per unit cost of the standard housing mitigation fee. In phased developments, developer may carry the fractional share forward into succeeding phases until the fraction reaches .5 or higher. Any fraction of .5 or greater shall be deemed a requirement for one additional below market rate unit. The developer however, may continue to carry the partial credit forward into the next phase(s) of the overall development. Refer to the following charts to compute points. (Ord. 1887, N.S. § 1, 2008; Ord. 1731 N.S. § 1, 2005)

**NOTE:**

*For projects that commit to provide a certain percentage of total units as affordable Below Market Rate units, any fractions equal to or greater than 0.5 shall be rounded up to the next whole number. Additionally, whenever the project's individual commitment of low and median/moderate income units combines to equal 0.5 or greater, the project shall be required to provide one additional median income unit in the final phase of the development.*

**Market Rate for Sale Competition** (Ord. 1887, N.S. § 1, 20078)

Percentage of Median/Moderate Income (of appropriate household size) for Sales Price Determination

Points	Commitment	R-3 Condominium	R-2 and R-3 Townhouse Units	R-2 SFD and R-1 7000	R-1 9000 and above lot size
(a)	5% Low	70%	73%	76%	80%
13 Points	5% Med/Mod	90%	100%	110%	120%
(b)	8% Low	\$230,344*	\$265,780*	\$283,500*	\$283,500*
14 points	2% Med/Mod	\$325,350*	\$361,500*	\$397,500*	\$435,000*
(c)	10% Low	65%	70%	75%	80%
15 points					

(Ord. 1887, N.S. § 1, 2008)

\*note above prices are estimates based upon 4 bedrooms, family of 5 Median Income levels. 2 & 3 bedroom units would be less. All BMR units, including Moderate BMRs are deed restricted. (Ord. 1887, N.S. § 1, 2008)

**Affordable For Sale Competition** (Ord. 1887, N.S. § 1, 2008)

Percent of Dwelling Units by Income Category for the affordable housing share within the Affordable Housing Competition (does not include up to 25% market rate share)

Points	Low Income	Median Income	Moderate Income
15	40%	30%	30%
11	15%	45%	40%
7		50%	50%

(Ord. 1887, N.S. § 1, 2008)

For projects that commit to provide a low and median income affordable commitment, in the final phase, where the fractional share of the low and median income units combine to equal .5 or above, the project shall be required to provide one additional median income unit as fulfillment of the project's overall affordable housing commitment. (Ord. 1887, N.S. § 1, 2008; Ord. 1839, N.S. § 1, 2007; Ord. 1731, N.S. § 1, 2005)

**Market Rate Units for Rent:** (Ord. 1887, N.S. § 1, 2008)

Points	Percent of BMR Units- Extremely Low Income	Percent of BMR Units Very Low Income	Percent of BMR Units Low Income
15	2%	8%	0
11	0	5%	5%
7	0	0	10%

(Ord. 1887, N.S. § 1, 2008)

**Affordable Competition Units for Rent:** (Ord. 1887, N.S. § 1, 2008; Ord. 1839, N.S. § 1, 2007)

Applicable to non-profit agency sponsored project (*does not include up to 25% market rate rental share*) (Ord. 1887, N.S. § 1, 2008)

Points	Percent of Affordable Units- Extremely Low Income	Percent of Affordable Units – Very Low Income	Percent of Affordable Units – Low Income
15	10%	50%	40%
11	5%	40%	55%
7	0	30%	70%

(Ord. 1887, N.S. § 1, 2008)

b. In lieu of BMR commitment, a Downtown Area project may be awarded points for overall housing affordability as follow:

i. 100% of the units are affordable to less than moderate income households **(8 points)**,

**OR**

ii. 75% of the units are affordable to less than moderate income households and 25% of the units are affordable to less than median income households. **(10 points)** (Ord. 1731 N.S. § 1, 2005)

5. A project may also be awarded 13 points if at least 10 percent of the dwellings are affordable at below market rates and the BMR units are constructed in a joint venture with a non profit builder. The following criteria shall apply to the joint venture development:

a. A letter of intent signed by both parties must be included with the RDSCS application.

b. The homes are to be built by the nonprofit agency through a self help building program or other applicable program approved by the City.

c. The project must provide an area for a minimum of 8 BMR units as part of the joint venture agreement. If 10 percent of the project is less than 8 dwelling units, allocations above 10 percent of the project may be drawn from the affordable allotment set-aside if available, to achieve the 8 unit minimum.

d. The price range and target income of the buyers shall be determined and approved by the City and non profit agency prior to the RDSCS application.

e. The site and architectural plans for the affordable units shall be shown on the plans and shall be considered part of the market rate application.

6. A project not receiving six points under criterion B3 above may also be awarded **13 points** where all lots in the proposed development are 12,000 square feet and above in size, the developer commits to pay double the standard housing mitigation fee, and provides a minimum of 20 percent of the overall dwellings with secondary dwelling (granny) units. (Ord. 1887, N.S. § 1, 2008)

**Note:** If the applicant and non-profit agency are unable to obtain the necessary funding, allotments, or encounter other obstacles and are unable to produce the affordable housing through the joint venture agreement; then the applicant will be required to choose one of the other options to achieve 13 points under criteria B4 in this category. Any unused affordable building allotment transfer shall be returned to the affordable allotment set-aside category.

7. In addition to points awarded under criterion B.3 above, a Micro, Small, or any project having all lots in excess of 20,000 square feet, will receive **six points** if it chooses to pay double the standard housing mitigation fee computed at ten percent of the total project (including replacement units). [10% of overall project units times the standard housing mitigation fee amount equals the total fee amount, e.g. 10% of 60 units = 6 x \$150,000 = \$900,000. Example only – the standard housing fee is the amount in effect for the competition] (Ord. 1887, N.S. § 1, 2008; Ord. 1731 N.S. § 1, 2005)

**Note:** Proposed developments must be assigned a minimum passing score of eight points under this category in order to qualify for building allotments. (Ord. 1887, N.S. § 1, 2008; Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005; Ord. 1731 N.S. § 1, 2005; Ord. 1677 N.S. § 1, 2004; Ord. 1575 N.S. §§ 9, 10 & 11, 2002; Ord. 1517 N.S. §§ 9 & 10, 2001; Ord. N.S. 1486 § 9, 2000; Ord. 1438 N.S. § 7, 1999; Ord. 1404 N.S. § 7, 1998; Ord. 1346 N.S. §§ 7 & 8, 1997; Ord. 1323 N.S. § 38, 1997; Ord. 1228 N.S. § 7, 1995; Ord. 1179 N.S. § 11, 1994; Ord. 1124 N.S. § 1 (part), 1993; Ord. 1034 N.S. § 1 (part), 1991)

#### **18.78.270 Housing types.**

A. "The extent to which the proposed development itself consists of a diversity of housing types to meet the goals of the housing element of the general plan.

..... **(15 points)"**

1. In order to develop residential neighborhoods which have a mix of housing types, new residential construction should consider the existing composition of the neighborhood and plan its housing design accordingly.

B. Standards and Criteria

1. Provides for a diversity of housing types:

a. Utilizes a mix of the various housing categories to provide housing diversity as follows by housing type\* (a maximum of **seven points, two points** per housing type, excepting the 15% single story housing type which is worth **three points**).

**Note:** Rental projects will receive **seven points**. Owner-occupied single-family attached, mixed-use CC-R zoned projects and multi-family R2 and R3 and R4 zoned projects will receive **five points** for one housing type, and **seven points** for two or more housing types. (Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005)

\* Housing Types are defined as follows:

- Single-family detached
- Single-family attached (includes one and two unit condominium buildings).
- Vertical mixed use; multi-family rental or stacked condominiums or condominium units in buildings containing three or more units. (Ord. 1839, N.S. § 1, 2007)
- Custom lots
- Mobile homes
- Secondary dwelling units (Granny Units) Ord. 1887, N.S. § 1, 2008)
- Single story dwelling units (must represent at least 15% of the total dwelling units)

For the above determination, the number of units for a particular housing type when divided by the total number of units in the project, must represent at least ten percent of the total number of housing units in the development (fifteen percent for single story units). The ten percent requirement would be in addition to any housing type used for below market rate (BMR) units. Single story BMR units may be counted toward the fifteen percent overall requirement for single story units.

**Note:** The percentage requirements stated above are absolute figures. Rounding to the nearest whole number is not permitted. A minimum of 10 percent (fifteen for single story units) is required, i.e. rounding up to get 10 percent is not allowed.

b. Over and above the BMR units committed in this section, the project provides an additional 10% detached units in an R-2 project or an additional 10% attached units in an R-1 project

or an additional 10% ownership (e.g., townhouse units) in an R-3 project. **(two points maximum)**

Projects that have both R-2 and R-1 zoning designations can receive one point for providing an additional 10% detached units in the R-2 project area and/or one point for providing an additional 10% attached units in an R-1 portion of the project.

**Note:** The 10 percent determination will be based on the overall project. For ongoing projects, this criterion will be applied to the remaining phases only. The percentage requirement stated above shall be an absolute figure, rounding to the nearest whole number is not permitted. A minimum of 10 percent is required, i.e. rounding up to get 10 percent is not allowed. This criterion only applies to for sale projects.

2. Provides for an economic diversity within the project.
  - a. The proposed project would augment the existing housing stock by providing housing which would be affordable under the income categories described below. A maximum of two points (or four points if for rent) may be awarded to projects which reserve a portion of the total units (see table below) as affordable to very low income households within 100 percent rental projects or low income (ownership units) in other projects.

**Note:** A Micro or Small, will receive **two points** if it chooses to pay the standard housing mitigation fee computed at ten percent of the total project (including replacement units), or **four points** if it chooses to pay double the housing mitigation fee. Any project where all lots are in excess of 12,000 square feet, will receive two points if it chooses to pay the standard housing mitigation fee. (Ord. 1887, N.S. § 1, 2008)



**For Sale Projects** (Ord. 1887, N.S. § 1, 2008)

**10% BMR Commitment** (Ord. 1887, N.S. § 1, 2008)

P o i n t s	Provides for percentage of affordable units LOW	Provides for percentage of affordable units MEDIAN/ MODERATE**
4*		
2	10	
2	8	2
1.5	5	5

\* **Applicable to ~~100~~ 75 percent affordable/ up to 25 percent market rate projects.** (Ord. 1887, N.S. § 1, 2008; Ord. 1731 N.S. § 1, 2005)

\*\* **Moderate BMR units must be on appropriately sized lots ( $\geq 7,000$  square feet)**  
(Ord. 1887, N.S. § 1, 2008)

**Note:** If the applicant and non-profit agency are unable to obtain the necessary funding, allotments, or encounter other obstacles and are unable to produce the affordable housing through the joint venture agreement; then the applicant will be required to choose one of the other options to achieve the 2 points in this (for sale) category. Any unused affordable building allotment transfer shall be returned to the affordable allotment set-aside category.

**For Rent Projects (Ord. 1887, N.S. § 1, 2008)**

Points	Percent of Units - Extremely Low Income	Percent of Units Very Low Income	Percent of Units Low Income
4	2%	8%	0
4	0	5%	10%
3	0	5%	5%
2	0	0	10%

(Ord. 1887, N.S. § 1, 2008)

3. A project may be awarded points for housing variation under one of the following criteria: (Ord. 1839, N.S. § 1, 2007)

a. For single-family/ownership projects, the proposed project provides for a variation of housing sizes within the project. The proposed project provides at least a fifty percent variation in house size from the smallest to largest floor plan and each house size represents at least ten percent of the total units (**three points**). For purposes of making the above determination, there must be at least three (3) different floor plans and a one hundred twenty square foot difference between the size of each floor plan where the floor plans do not exceed 1,500 square feet (less than one hundred twenty square feet difference will be aggregated as one floor plan). Where the floor plans exceed 1,500 square feet, there must be a two hundred square foot difference between the size of each floor plan (less than two hundred square feet difference will be aggregated as one floor plan). (Ord. 1839, N.S. § 1, 2007)

b. For multi-family projects, and ~~100%~~ **75 percent** affordable **and up to 25 percent market rate** ownership projects, the variation will be based on number of bedrooms. A project which provides one bedroom units only, will receive **one point**. A project which provides a mix of one and two bedroom units or two bedroom units only, will receive **two points**. A project which provides dwelling units with a mix of one, two and three bedroom units or dwelling units with three or more bedrooms only within the development, will receive **three points**. Each bedroom category must represent at least ten percent of the total units. Affordable ownership projects must provide a minimum of three floor plans to be eligible for points under this criterion. (Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005)

c. For small vertical mixed-use and Downtown Area projects, the variation will be based

on number of studio, one and two bedroom units. A project which provides a mix of studio, one bedroom and two bedroom units will receive **three points**. A project which provides a mix of one and two bedroom units will receive **two points**. A project which provides dwelling units with two bedrooms only within the development, will receive **one point**. Each bedroom category must represent at least twenty percent of the total units. (Ord. 1839, N.S. § 1, 2007)

**Note:** Three bedroom units are allowed as part of the remaining percentage of the total dwelling units and will not affect the points given under this criterion. (Ord. 1839, N.S. § 1, 2007)

**Note:** *BMR units may not be used when determining housing size variations*

4. A project providing at least 25 percent of the dwellings as visitability accessible units will be awarded **one point**. Visitability units are accessible dwellings that have one zero-step entrance on an accessible route; all main floor interiors, including bathrooms, with 32 inches of clear passage space; and at least a half bath on the main floor usable for a person in a wheelchair. (**one point**) (Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005)

~~**Note:** BMR units may not be used when determining housing size variations~~

#### **18.78.280 Quality of construction standards.**

A. "Architectural design quality as indicated by the quality of construction and by the architectural elevations of the proposed buildings, judged in terms of architectural style, size, and height.

..... (15 points)"

1. The proposed project should create buildings that are responsive to the needs of its users and the environment, while also accomplishing it in an appealing and attractive manner. The overall project design should be compatible and harmonious with existing adjacent residential neighborhoods and land uses, while still maintaining its own special character.

B. Standards and Criteria.

1. Uses design and construction that conserve resources. Points will be awarded by scoring in a range of points on the Build It Green (BIG) checklist (see table below.) (Ord. 1887, N.S. § 1, 2008)

BIG Checklist Points	Quality of Construction Points (Maximum 15)
70-79 points * 20 points in BIG's checklist are required by the City's landscaping ordinance	<b>2 points (required)</b>
80-89	<b>4</b>
91-110	<b>7</b>
111-130	<b>13</b>
131+	<b>15</b>

(Ord. 1887, N.S. § 1, 2008)

Applicants will also be required to: (Ord. 1887, N.S. § 1, 2008)

- Achieve a minimum of 2 points in the Quality of Construction Category;
- Install a Class A roof covering such as light weight concrete tile, architectural grade composition shingle or better;
- Use a current BIG checklist upon submitting an application available at the following web site: [\[link to application form on City's website\]](#)
  - Applicant will be held accountable for the checklist submitted with application, and shall not be subject to future revisions of Build It Green's checklist;
- Have the project certified *verified as meeting the point commitment at plan check and during the construction phase.* and rated by a BIG Green Point Rater before obtaining a final inspection on the building permit;
- For 131+ points, the applicant must have a builder as the applicant or co-applicant and submit a copy of a Logo Use Agreement with Build It Green, showing a 20% point buffer.

(Ord. 1887, N.S. § 1, 2008; Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005; Ord. 1677 N.S. § 1, 2004; Ord. 1575 N.S. §§§§§ 14, 15, 16, 17 & 18, 2002; Ord. 1517 N.S. §§ 13 & 14; Ord. 1486 N.S. § 11, 2000; Ord. 1438 N.S. § 10, 1999; Ord. 1404 N.S. § 9, 1998; Ord. 1346 N.S. § 12, 1997; Ord. 1228 N.S. § 9, 1995; Ord. 1124 N.S. § 1 (part), 1993; Ord. 1034 N.S. § 1 (part), 1991)

**18.78.290 Lot layout and orientation.**

A. "Site design quality as indicated by lot layout, orientation of the units on the lots, and similar site design consideration.

..... (15 points)"

1. The overall project's site design quality is largely dependent upon the layout of the individual lots. Variations in lot sizes and configurations must take place to accommodate changes in natural terrain and street design, although this is not to be construed as meaning that areas of consistent terrain need not have lot variations. The variations in lot size, shape, and layout would encourage a corresponding variation in house designs and orientations. Site design will incorporate the utilization of the sun and wind to the greatest extent possible for heating and cooling purposes.

B. Standards and Criteria.

1. Provides good site design considerations in all lot layouts.

a. In context of the overall project, avoids excessively deep or narrow lots. The project also must provide side yards at least 20 percent in excess of the minimum required to avoid crowding and to enhance spatial relationships. **(one point)**

*Note: Side yard setbacks that are 20 percent in excess of the minimum required by the zoning district that most closely matches the proposed lot size applies to structures within the principal building setback, and exceptions may apply to detached garages and accessory buildings.*

b. Provides building separations in apartment or condominium developments that are at least 20 percent in excess of minimum code requirements. **(one point)**

c. Avoids excessive use of sharp angled lots which waste land and constitute poor building sites. **(one point)**

d. Avoids creating lots which require driveways greater than 150 feet in length for access. **(one point)**

e. A sufficient transition in lot sizes, or building sizes in R-3 developments, is proposed in the site plan design to allow compatibility between existing and proposed neighborhoods. **(one point)**

f. Over-all excellence of lot layout. Layouts deemed to be average will receive **zero points**, above average layouts will receive **one point**, and superior layouts will receive **two points**.

For scoring purposes points will be assigned as follows:

Average Project: A project requiring 2 or more major design changes, or which has 4 or more minor problems. **(zero points)**

Above Average Project: A project requiring 1 major design change, or which has 3 minor problems. **(one point)**

Superior Project: A project requiring no major changes and which has 2 or less minor problems. **(two points)**

- g. Provides harmonious use of exterior building materials and varying front elevations with low repeat factors. A reverse floor plan does not count as a separate elevation. An elevation to be considered different must include significant modifications to the exterior appearance of the structure. (Ord. 1887, N.S. § 1, 2008)

- i. Floor plan & elevation repeats 0 -3.5 times: one point

For single family detached buildings, repeat factor is the total number of building lots divided by: the number of floor plans multiplied by the number of alternate elevations for each plan (i.e.: repeat factor = number of building lots/(floor plans)\*elevations). (Ord. 1887, N.S. § 1, 2008)

For single-family attached or multi-family buildings, repeat factor is the number of structures divided by: the number of different footprints times the number of alternate elevations for each footprint (must have a minimum of two elevations within the project). (Ord. 1887, N.S. § 1, 2008)

For projects where all dwelling units are contained within a single building, the project will be scored as having no repeat elevations provided that each side of the building provides architectural interest consistent with the Design Review Ordinance (Chapter 18.74 of the Municipal Code) and *Architectural Design Standards and Guidelines* Handbook and is designed consistent with requirements in the City's Downtown Plan (Downtown projects only). (Ord. 1887, N.S. § 1, 2008)

- 2. Provides street design which complements lot layout and building orientation:
  - a. Locates streets and arranges units to provide park/open space area that is aggregated into large meaningful area(s) that are conveniently located within the development. **(one point)**
  - b. Locates streets, design lots, and arranges units to enhance neighborhood security by

arranging a minimum of 75 percent of the units so that entrances are visible from the public right of way or private circulation areas. **(one point)**

3. Provides a variety of setbacks which complements the overall site design.

a. A minimum five-foot front setback variation is provided between adjoining units for single-family dwellings, and four-foot front setback variation is provided between adjoining buildings for multi-family developments. **(one point)**

b. A minimum five-foot rear setback variation for single-family dwellings, and four-foot rear setback variation for multi-family dwellings is provided between adjoining units. **(one point)**

c. The proposed project provides at least a four foot variation in standard lot widths (excluding cul-de-sac lots) and each lot width represents at least ten percent of the total lots. For purposes of making the above determination, there must be at least three different standard lot widths and at least a four foot difference in the width of each standard lot. **(one point)**

d. Uses garage placement to provide lot variation. At least 25% of units have side-loading, detached, rear garages, or two car garages with tandem parking space to accommodate a third vehicle inside the garage. **(one point**, when 25% of the units have garage orientation as stated above; two points when 50% of the units have garage orientation as stated above). Multi-family developments may satisfy this criterion by locating garages, carports, and parking spaces at the side or rear of buildings at locations not visible from the public right-of-way. **(up to two points)**

4. Uses lot layout and design techniques that reduce noise. Such techniques where appropriate include increased setbacks, significant landscape buffer areas, sound insulation board in the building construction, placement of air conditioning units away from property lines and side yard areas to minimize noise impacts to adjoining dwellings, etc. **(up to two points)**

5. For projects in the Downtown Area, building setback areas above the second story are articulated with design elements that provide visual interest, such as use of outdoor decks and balconies. **(one point)** (Ord. 1839, N.S. § 1, 2007)

6. In the Downtown Area, the project addresses building to building variation in the façade and building space above through use of architectural details such as bay windows, decorative belt courses, moldings around windows, and planter boxes, etc., that span from one building to another. **(one point)**

7. Downtown area projects will receive one point for providing shared parking (used jointly by residential and non-residential uses) and/or rear parking lots. **(one point)** (Ord. 1887, N.S. § 1, 2008; Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. §1, 2005; Ord. 1677 N.S. § 1, 2004; Ord. 1575 N.S. §§ 19 & 20, 2002; Ord. 1517 N.S. §§ 15 & 16, 2001; Ord. 1486 N.S. § 12, 2000; Ord. 1438 N.S. § 11, 1999; Ord 1404 N.S. §§ 10 & 11, 1998; Ord. 1346 N.S. § 13, 1997; Ord. 1228 N.S. § 10, 1995; Ord. 1124 N.S. § 1 (part), 1993; Ord. 1034 N.S. § 1 (part), 1991)

**18.78.300 Circulation efficiency**

A. "Site and architectural design quality as indicated by the arrangement of the site for efficiency of circulation, on-site and off-site traffic safety and privacy.

..... (15 points)"

1. An efficient circulation system is one which accommodates various regular transportation modes (walking, biking, and private automobile and public transit) in a safe and unified manner. Future residential areas should incorporate design elements whenever possible to make these forms of transportation more convenient and safe for the users.

B. Standards and Criteria.

**Note:** Project scoring in this section shall be based on the overall project master plan and shall include improvements completed in previous phases of the same development.

1. Streets, access ways and parking are designed for safe and efficient circulation.

a. Local streets or access-ways interior to the project are designed to discourage fast traffic using curvilinear roads or traffic control devices. **(one point)**

b. Provides for the future extension of streets for proper access or circulation to adjacent properties by providing one or more stubs or other improvement internal to the project. The future street extension(s) must be consistent with the General Plan or other adopted circulation plans. **(up to two points)** (Ord. 1731 N.S. § 1, 2005)

c. Provides for the future extension of drive aisles, or connections to shared access drives or adjacent parking lots. **(one point)** (Ord. 1731 N.S. § 1, 2005)

d. Interior streets and/or drive aisles are designed to meet all city safety and parking standards and allow for a looping pattern of circulation. **(one point)**

e. Eliminates existing stub or substandard streets. Frontage improvements will not apply to this criterion unless the improvements occur along an arterial or the project completes full width street improvements along the project frontage. **(up to two points)**

f. Avoids short blocks between existing and/or proposed streets. A short block is considered to be less than two hundred fifty two feet from centerline to centerline of streets. Within a project, an entry aisle less than two hundred fifty two feet from the entry is acceptable. This criterion is not applicable where a driveway and/or drive aisles and curb cuts are used to provide access to the entire project site. **(one point)**

**Note:** *Should a project propose a short block due to site constraints such as parcel size, the project will need to go through the preliminary RDCS review process prior to the competition and receive written acknowledgement from city staff that the creation of a short block is unavoidable and acceptable. One point may be awarded under this process as an exception.*



g. Provides a minimum 20-foot clear view back-out distance between enclosed garage space and drive aisle. **(one point)**

h. When possible, access to the project is provided from at least two separate streets. If access to separate streets is not possible, there must be a minimum of two hundred feet between access points to the project on the same street. **(one point)**

i. Provides appropriate landscape islands and entry monuments/gateway features. **(one point)**

j. Project provides circulation to facilitate emergency response and patrol as determined by the fire chief and police chief. Off-set intersections are avoided. The project shall include specific information to provide for turnarounds and secondary access proposal for phased projects. **(one point)**

k. Project provides public parking in the Downtown Area consistent with the Downtown Plan (i.e., at mid block areas between E. Second and E. Third and E. Third and E. Fourth Streets, on the east side of Depot Street, etc.) **(up to two points)** (Ord. 1731 N.S. § 1, 2005)

2. Promotes the privacy of residential neighborhoods.

a. Internal project circulation is designed for use primarily by local residents. **(one point)**

b. Street layouts are designed to avoid the creation of undesirable situations such as double frontages, utility easements in rear or side yards of private property, or developable land locked property. **(one point)**

3. Provides for dedication and improvement of extensions to existing streets and shared parking lots outside of the project boundaries. The cost of the offered dedication and public improvements shall be equal to or greater than \$1100 per unit per point. Should the offered dedication and improvements be redundant to those made under 2f. of the Public Facilities (PF) section, points will be awarded here first and then any excess applied to the PF section. For example, if \$1500 per unit of improvements were recorded in this section and in PF, 1 point would be awarded here and \$400 per unit would be available to add to any non-redundant improvements made under the PF category, under Section B.3.a of the Schools category or under B.4 of the Livable Communities category. Ord. 1839, N.S. § 1, 2007)

b Projects which offer to complete adjacent or nearby off-site public facility improvements which were committed to be installed by another project under a previously approved application will not receive points for the same commitment. **(Up to two points)** (Ord. 1731 N.S. § 1, 2005)

4. In R-3 and higher density mixed use projects, the proposed development minimizes conflicting back out movements by using single loading streets or drive aisles to access individual

parking spaces. **(one point)**

5. In R-3 and higher density mixed use projects, interior parks and recreation amenities are located away from parking lots and circulation aisles. **(one point)**

6. Projects located in the Downtown Area may be awarded **up to four points** based on the following criteria: (Ord. 1731 N.S. § 1, 2005)

a. The project provides ground floor mid-block pedestrian connections through large buildings. For the criterion to apply, the pedestrian connection must be continuous and unrestricted during business hours. **(one point)** (Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005)

b. The main project entries are oriented directly to the public streets to encourage connections through the existing network of sidewalks. **(one point)** (Ord. 1731 N.S. § 1, 2005)

c. The project closes gaps in the pedestrian and bicycle network through replacement or extension of sidewalks, pathways or bike lanes beyond the project frontage. **(one point)** (Ord. 1731 N.S. § 1, 2005)

d. The project provides bicycle parking with racks at convenient locations near building entrances and bus stops. **(one point)** (Ord. 1731 N.S. § 1, 2005)

**Note:** For B.3 above, emphasis will be placed on improvements for dedicated extensions of existing streets within one mile of the project. (Ord. 1731 N.S. § 1, 2005)

Proposed developments must be assigned a minimum passing score of **seven points**, or a minimum of **5 points** for Downtown Area projects under this category in order to qualify for building allotments. (Ord. 1839, N.S. § 1, 2007; Ord. 1731 N.S. § 1, 2005; Ord. 1677 N.S. § 1, 2004; Ord. 1575 N.S. § 21, 2002; Ord. 1517 N.S. § 17, 2001; Ord. 1486 N.S. §§ 13 & 14, 2000; Ord. 1438 N.S. § 12, 1999; Ord. 1346 N.S. § 14, 1997; Ord. 1228 N.S. § 11, 1995; Ord. 1179 N.S. § 14, 1994; Ord. 1124 N.S. § 1 (part), 1993; Ord. 1034 N.S. § 1 (part), 1991)

## **Article III. Procedures for Micro Project Competition**

### **18.78.340 Eligible projects.**

An eligible project is any type of residential development consisting of a maximum of six dwelling units. A project must also be located on a site which represents the ultimate or finite development potential of the property. In order to be considered as ultimate development, no further subdivision and/or residential development of the property would be possible pursuant to the general plan and this title. The only exception to this limitation would be the construction of a secondary dwelling unit on a single-family lot. (Ord. 1575 N.S. § 23, 2002; Ord. 1397 N.S. § 1, 1998; Ord. 1323 N.S. § 39, 1997; Ord. 1228 N.S. § 14, 1995; Ord. 1034 § 1 (part), 1991)

### **18.78.350 Filing periods.**

Applications for development allotment evaluations shall be filed with the community development department no later than 21 months prior to the fiscal year of the building allocation or an earlier date as established by the City Council. (Ord. 1731 N.S. § 1, 2005; Ord. 1677 N.S. § 1, 2004; Ord. 1391 N.S. § 1, 1998; Ord. 1228 N.S. § 15, 1995; Ord. 1034 § 1 (part), 1991)

### **18.78.360 Planning officers' review.**

The planning officer shall review each application to determine whether or not the proposed development conforms to the city's general plan, Title 17 and this title's requirements. If the planning officer determines that a proposed development does not conform to the general plan, Title 17 and this title, the application shall be rejected. If the application is rejected, an applicant may appeal the planning officer's determination in the manner prescribed in Section 18.78.100(B) of this chapter. (Ord. 1034 § 1 (part), 1991)

### **18.78.370 Evaluation--Standards and criteria.**

A. Projects will be evaluated according to the standards and criteria contained in Sections 18.78.200 through 18.78.330 of this chapter.

B. In order to be eligible for building allotments, a project must receive at least **seven and one half points** in Part 1 and **one hundred fifty points** in Part 2 of the allotment evaluation.

Those that fail to receive a minimum passing score will have the opportunity to improve their designs and reapply during the next competition.

C. To provide a more streamlined process, each micro project application shall be evaluated by the planning officer. The Part 1 criteria shall be applied in the manner consistent with the provisions contained in Section 18.78.200 of this chapter. However, under Part 2 of the evaluation, each micro project shall be assigned the following minimum scores:

<u>Category</u>	<u>Minimum Score</u>
<b>Schools</b>	<b>16</b>
<b>Open space</b>	<b>12</b>
<b>Orderly and contiguous</b>	<b>2</b>
<b>Public facilities</b>	<b>5</b>
<b>Parks and paths</b>	<b>5</b>
<b>Housing needs</b>	<b>8</b>
Housing types	12
<b>Quality of construction</b>	<b>8</b>
Lot layout and orientation	9
Circulation efficiency	8
<b>Safety and security</b>	<b>5</b>
Landscaping	7
Natural and environmental	7
<b>Livable Communities</b>	<b>5</b>
<b>Total</b>	<b>109</b>

D. The planning officer shall examine each proposed development and shall rate each development by the assignment of no more than the maximum number of points allowable on each of the following categories: ***schools***, open space, orderly and contiguous, public facilities, parks and paths, housing needs, quality of construction and safety and security; ~~natural and environmental and livable communities~~. The difference between the minimum score provided above, and the maximum score assigned in each of the aforementioned categories, shall determine a project's rating and eligibility for building allotments. In the event that two or more projects receive an equal number of points, the Planning Commission shall rank each project receiving a tie score to determine which project(s) are eligible to receive the building allotment. (Ord. 1887, N.S. § 1, 2008)

E. The planning commission shall review the planning officer's evaluation when the number of residential units in proposed developments exceeds the number of allotments authorized for the competition. (Ord. 1677 N.S. § 1, 2994; Ord. 1304 N.S. § 4, 1996; Ord. 1034 N.S. § 1 (part), 1991)

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**MEMORANDUM**

**To: PLANNING COMMISSION**

**Date: May 26, 2009**

**From: COMMUNITY DEVELOPMENT DEPARTMENT**

**Subject: PLANNING COMMISSION WORKPLAN FOR FISCAL YEAR 2009-10**

**DISCUSSION**

The City Council has requested that each Commission prepare a workplan for FY 2009-10. The Planning Division must also prepare a workplan, which is submitted to the City Manager's Office, reviewed by the City Council, and reflected in the budget that is adopted.

Since the Planning Commission is involved in nearly all Planning Division work efforts, staff has combined the Commission's and the Division's workplans into one document. Those items that are "asterisked" (\*) are Planning Commission workplan items; non-asterisked items do not involve the Planning Commission. Staff has included key work program elements in the attached workplan; the budget also includes certain "activity goals" which are activities also carried out by the Department but which are more usual and less major work plan items of the Department and Commission.

**RECOMMENDATION**

Staff recommends that the Planning Commission review and comment on the attached proposed workplan, for submittal to the City Manager/City Council as part of the budget process.

**Attachments:**

**Proposed FY 2009-10 Workplan for Planning Commission and Planning Division**

# FY 2009-10 Workplan for Community Development Department and Planning Commission

Draft 4-2-09

*\*Note that items with an asterisk involve the Planning Commission*

Department: COMMUNITY DEVELOPMENT				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
General Plan Circulation Element Amendments for changes to street classifications / sizes and Tiered Level of Service (LOS) Policy Standard *	Finalize & Release Transportation Studies	3/15/09	5/31/09	MolloyPrevisich Ashcraft, Bjarke, Creer Golden
	Meet with Stakeholder Agencies	3/15/09	6/15/09	
	Public & PC Meetings	6/1/9	7/15/09	
	Public Review of Circ Elmt Draft EIR	6/19/09	8/3/09	
	Prepare Final EIR Responses to Comments	8/3/09	8/30/09	
Traffic Impact Fee Revision	Prepare noticing, staff reports & resolution	8/3/09	9/15/09	MolloyPrevisich Golden
	PC and Council Public Hearings	9/15/09	10/15/09	
	Revise Traffic Impact Fees	10/20/09	1/1/2010	
	Public & PC Meetings	4/30/09	5/26/09	
	Public Review of Draft EIR	6/19/09	8/3/09	
Downtown Specific Plan, * Parking Strategy, Rezoning, Final EIR	Prepare Final EIR Responses to Comments	8/3/09		Rowe, Toy, Ordonez MolloyPrevisich, Linder
	Prepare Rezoning Public Notices			
	Prepare Staff Reports, Ordinances, Resos			
	PC and Council Public Hearings			
	Complete Task Force Meetings			
General Plan Housing Element Update and new "Single Family High 5-10 du/acre" GP land use designation and zoning *	Complete Draft Element and SF High			Linder, Golden, Rowe, Tolentino
	Public Workshop			
	Planning Commission Public Hearing			
	City Council Public Hearing			
	State HCD Review of Housing Element			
General Plan and USA Amendments (private applications) *	Prepare and Adopt Final Housing Element			Linder, Golden, Rowe, Tolentino
	Complete CEQA documents; Public			
	Hearings and Action on CEQA and			
	Project Applications			
		2/09	12/20/09	

**Department: COMMUNITY DEVELOPMENT**

Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Greenbelt/Ag/SEQ ULL: General Plan Amendment and Zoning/Annexation for SEQ Urban Limit Line, Sports-Recreation-Leisure (SRL) & Agricultural Designations *	Consultant Selection	12/1/09	6/30/09	MolloyPrevisich, Tolentino
	Prepare EIR and Agricultural Studies	7/1/09	6/30/10	
	City Public Hearings on Ag/ULL/SEQ General Plan Amendments, Prezonings, & High School	7/1/10	9/30/10	
	LAFCO Review and Hearings on USA Boundary Amendment	10/1/10	3/1/11	
	City Hearings on Annexation	3/1/11	5/31/11	
Subdivision Ordinance * Update and certain development-related amendments of Muni Code	Update Subdivision Ordinance for consistency with State law;	FY 08/09	6/30/10	Linder, Rowe with Public Works staff
	Revise and adopt Street Standards;	FY 08/09	6/30/10	
	Review utility undergrounding reqmt	FY 08/09	6/30/10	
	Review septic/sewer requirements.	FY 08/09	6/30/10	
Review and amendment of Residential zoning districts; Review and amendment of RDCS Part II *	Workshops w/ Developers & Stakeholders	FY 08/09	8/30/09	Linder, Rowe
	Draft amendments	9/1/09	11/1/09	
	Planning Commission Public Workshop	11/1/09	1/31/10	
	Prepare public notices & staff reports	2/1/10	3/31/10	
	PC and Council Public Hearings	4/1/10	6/30/10	

**Department: COMMUNITY DEVELOPMENT**

Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
RDCS Competition; Administer Measure F and possibly Measure A Downtown Allotments *	Develop Recommendation re competition	5/20/09	6/30/09	MolloyPrevisich, Rowe, All
	Work with RDA and Private Developers regarding Downtown mixed use and housing projects	FY 08/09	Ongoing	
	RDCS Conceptual Reviews; application preparation period	7/1/09	10/1/09	
	Administer RDCS Competition/Awards	10/1/09	3/1/10	
Santa Clara Valley Habitat Conservation Plan (HCP)	Continue participation in HCP/NCCP planning, environmental review, and financing/implementation strategy efforts; effort to be completed during FY 10/11	FY 05/06	FY 10/11	MolloyPrevisich, Golden
Greenbelt and Open Space * Implementation Activities	Talke Boundary Amendments and Open Space Dedication			MolloyPrevisich, Golden, Rowe, Tolentino
	Open Space/Agricultural impact/mitigation fee study			
Building Division Special Programs: Green Building Ordinance administration; Building Permit Amnesty Program, Blight Busters Code Enforcement linked to Housing Rehab Program activities in partnership with BAHs	Carry out green point rater activities	FY 08/09	ongoing	Deluna, Amos, Blomquist, Bassett, Saenz
	Develop strategy for targeting blight busters and housing rehabilitation program activities. Refine "courtesy letter" approach for lower priority code enforcement activities.			
	Develop and implement "building permit amnesty" program; publicize DSC, over the counter, and permit requirements			





**WORKSHOP  
AGENDA ITEM #4**

**MEMORANDUM**

**To: PLANNING COMMISSION**

**Date: May 26, 2009**

**From: COMMUNITY DEVELOPMENT DEPARTMENT**

**Subject: WORKSHOP TO REVIEW AND DISCUSS DRAFT DOWNTOWN  
SPECIFIC PLAN**

**BACKGROUND AND PURPOSE OF WORKSHOP**

As detailed in the attached memo to the City Manager dated January 5, 2007, the effort to plan and implement regulations and activities to support revitalization of downtown has been going on for many years. The Downtown Design Plan was adopted in 2003, many of its policies remain sound, and many of its action items have been completed. However, in 2007, it was determined that a Specific Plan and a Master EIR should be prepared in order to refine and streamline development regulations and review procedures that apply to downtown development. The Parking Strategy also needed to be revised and completed. The Specific Plan is not intended to “re-do” or “re-vision” the community’s vision for downtown, but to provide a reality-based strategy for achieving the Vision contained in the 2003 Plan.

The Downtown Plan update/specific plan process involved the following steps:

- Walking tour and interviews with Downtown property owners
- Community Stakeholder Workshop June 19, 2007
- Downtown Plan Update Process Workshop October 16, 2007
- Downtown Association Board Workshop January 14, 2008
- Community Stakeholder (Plan & Third Street) Workshop January 17, 2008
- Planning Commission Workshop & EIR Scoping January 29, 2008
- Community Stakeholder Workshop February 19, 2008
- Downtown Association Board Workshop March 13, 2008
- Planning Commission Item to Develop Recommendations March 11 & March 18, 2008

The Planning Commission’s March 2008 review of the January 2008 Preliminary Draft Specific Plan focused on those key plan elements that affected the project description for the purpose of preparing the EIR. On March 18, 2008 the Commission forwarded various recommendations to the City Council regarding the content of the Specific Plan, and on April 2, 2008 the City Council considered the Commission’s recommendations and provided final direction regarding the content of the Specific Plan. In July 2008 the Public Review Draft of the Specific Plan was released, and the EIR consultants have been preparing the EIR on the Plan.

The purpose of this meeting is for the Planning Commission to become familiar with and work toward understanding the Public Draft Downtown Specific Plan released in July 2008. Upon adoption, the 2008 Downtown Specific Plan will replace the 2003 Downtown Design Plan and will provide the General Plan land use designations and policies, as well as the zoning map and development standards for downtown.

The Environmental Impact Report (EIR) on the Specific Plan is scheduled for release in June 2009, and a hearing to take comments on the EIR will be scheduled during the 45-day public comment period. Once the Final EIR is completed, the Planning Commission will hold formal public hearings on the Specific Plan and develop its recommendation to the City Council. It is anticipated that the Commission hearing will take place in September and the Council will certify the EIR and adopt the Specific Plan in October 2009.

### **RECOMMENDATION REGARDING STRUCTURE FOR WORKSHOP**

As a proposed structure for the Workshop, staff suggests the following:

1. Review City Council's April 2, 2008 Direction regarding Plan Content
2. Planning Commission Questions about Plan Content
3. Public Input and Questions about Specific Plan
4. Identify and Discuss other "Miscellaneous Plan Modifications" or Suggested Edits to Draft Specific Plan *(consistent with the overall project description of the Plan being evaluated by the EIR)*

The purpose of the March 26<sup>th</sup> Planning Commission Workshop is to get started on review and understanding of the proposed Specific Plan. It is not necessary to complete the review at the Workshop, and this matter can be scheduled for additional discussion at future workshops and/or public meetings. As previously stated, a Planning Commission hearing to take comments on the Draft EIR will also be scheduled during the 45-day public comment period, during July 2009. Also, once the Final EIR is completed, the Planning Commission will hold formal public hearings (in September) on the Specific Plan and develop its recommendation to the City Council.

### **ATTACHMENTS**

- July 2008 Public Review Draft of Downtown Specific Plan *(previously distributed; also available on city's website)*
- April 2, 2008 Council Direction regarding Content of Draft Downtown Specific Plan
- March 11, 2008 Staff Report to Planning Commission
- January 5, 2007 Memo to City Manager

## **COUNCIL DIRECTION REGARDING CONTENT OF DRAFT DOWNTOWN SPECIFIC PLAN**

*(As approved by City Council on April 2, 2008)*

### **RECOMMENDATION #1: Considerations Regarding Retail Market Demand**

That the Draft Plan reflect a “net new” retail/restaurant of ~~110,490~~ **93,490** sf within Blocks 1 – 20, reflecting reduction of existing retail on Block 20, with that reduction of existing retail on Block 20 occurring by the 2015 timeframe (73,000 sf of the existing Block 20 ‘shifts’ to downtown core), with public parking space needs calculation to be based on the projected cumulative total commercial space needs within the downtown core area (blocks 1-14).

### **RECOMMENDATION #2: Ground Floor Commercial Regulations**

That Figure 6 be revised to show Ground Floor Zoning Overlay District only, with parcels along Monterey between 4<sup>th</sup> Street and Main Avenue to require a minimum retail depth of 60 feet, except at all corners of each intersection would require a minimum retail depth of 80 feet; and parcels along Third Street between Depot and Monterey to require a minimum depth of 50 feet, except that all corners of each intersection would require a minimum depth of 80 feet. A diagram showing the red areas showing the basis for the 2030 retail projections will become an explanatory/guideline exhibit rather than a zoning overlay, which shows areas where more than 50, 60 and 80 feet would be strongly encouraged.

### **RECOMMENDATION #3: 2015 and 2030 Redevelopment Projections**

The 2030 redevelopment projection charts and text be revised to remove the “10% margin”; that Block 19 be projected for office mixed use rather than retail mixed use, and that Block 20 be included within the projections for the 2015 redevelopment phase.

### **RECOMMENDATION #4: Parking Supply Needs, Timing and Locations**

Base the parking supply strategy on a 92% occupancy factor for public parking available for both retail and office uses in the Core Blocks 1 – 14 (no on-site parking requirement), based on the revised 2030 Redevelopment Projection. For residential units, require 1.0 spaces on site for units of 600 sf or less, 1.5 spaces on site for units between 601 and 1,350 sf, and 2.0 spaces on site for units of more than 1,350 sf, with no residential guest parking requirement. Use redevelopment funds to acquire and improve public parking spaces so that spaces are available prior to occupancy of new developments, and increase public parking supply by at least 500 parking spaces by 2015. Implement a parking monitoring program to ensure parking is added when occupancies are approaching 92%. Include a proposal for a grade-separated pedestrian crossing over the railroad tracks.

### **RECOMMENDATION #5: Changes to Preliminary Plan Land Use Recommendations**

Revise Figures 4, 5, and 6 to reflect the recommended changes (see staff report and above summary) to General Plan, Zoning and Ground Floor Overlay provisions as detailed for Blocks 1 – 20. Reflect within the discussions of each block the “strongly encouraged”; and “opportunity for” statements as detailed in the March 11, 2008 Planning Commission staff report.

### **RECOMMENDATION #6: Density, Floor Area Ratio (FAR) and Height**

Retain the FARs and height limits as proposed by the Preliminary Draft Specific Plan within the downtown core, as well as the language that would allow for Planned Development (PD) zoning applications to modify FAR, density and height standards, if determined consistent with the intent, goals and policies of the adopted Specific Plan. Include policy language within the Plan that suggests that two key sites that could accommodate greater heights would be on Blocks 3 and 4, between Monterey and Depot. Greater

intensity of development on these large key sites could act as a downtown landmark, without interfering with the predominately 2- and 3- story character desired for development along Monterey Road itself.

**RECOMMENDATION #7: Ballot Measure Regarding RDCS Provisions for Downtown**

The Council was in favor of a ballot measure, and directed that staff return with analysis of the following option #1, as well as a variant (#2) that did not increase the population cap, and analysis of “no ballot measure/keep RDCS effective downtown” (#3).

Ballot measure allowing for 500 Downtown Core allotments (Main to Dunne, Del Monte to UPRR ROW (Blocks 1 – 14), and an increase in the 2020 population cap by 1,000 (based on 2.0 persons per household reflecting smaller unit sizes) be placed on a future ballot, either by the public or the City Council. Staff would recommend that the allotments are only available for mixed use projects providing ground floor commercial space in accordance with the Specific Plan. Staff recommends that the measure not require a competition or that projects be assessed with regard meeting the RDCS “minimum score”, in that construction of the project with ground floor commercial space within the downtown core would be presumed to provide community benefit.

**RECOMMENDATION #8: Downtown Affordable Housing and Housing Element RHNA**

The Specific Plan to not include any requirement for provision of deed-restricted affordable housing units, neither for rental nor for-sale units.

**RECOMMENDATION #9: Monterey Road**

Retain the Specific Plan proposal to narrow Monterey Road from 4 to 2 lanes, and direct the Master Transportation Impact Analysis and Circulation Element Assessment to determine the feasibility of the concept and what roadway improvements are necessary prior to implementation of the narrowing, to shift Monterey traffic to parallel north-south routes. Also, emphasize in the Specific Plan that the lane reduction will be implemented on a temporary trial basis prior to a final commitment to the project.

**RECOMMENDATION #10: Plan Boundaries**

Retain the existing boundaries, but process and adopt the land use changes that are recommended for Blocks 19 and 20, and the CC-R zoning district, concurrent with the Specific Plan; including analysis by the EIR.

**RECOMMENDATION #11: Refinement of Other Zoning District Development Standards and Miscellaneous Plan Modifications**

Authorized staff to continue to make plan refinements that would be incorporated into the Revised Draft Downtown Specific Plan, which would be published and available to the public at the same time as the Draft EIR is available for public review and comment in July 2008.

(e.g. more discussion of re-routing Bus Route 68 to shift it from Monterey to Depot; other transit discussion)



## **MEMORANDUM**

**To: PLANNING COMMISSION**

**Date: March 11, 2008**

**From: COMMUNITY DEVELOPMENT DEPARTMENT**

**Subject: DEVELOP RECOMMENDATION TO CITY COUNCIL REGARDING  
RECOMMENDED MODIFICATIONS TO PRELIMINARY DRAFT  
DOWNTOWN SPECIFIC PLAN**

### **PURPOSE**

The purpose of this meeting is for the Planning Commission to develop recommendations to the City Council regarding how key components of the Preliminary Draft Specific Plan should be modified to become the DRAFT Downtown Specific Plan that is the subject of the Environmental Impact Report (EIR). The Council will consider the recommendations of the Planning Commission and others at its April 2, 2008 meeting, at which time it will provide direction on the Draft Plan "project description" to be studied by the EIR.

The objective at this time is to focus on those key plan elements that affect the assumed project description that is the subject of the EIR. There will be opportunity to continue to make recommendations and refinements to the Plan over the coming months, with the goal of releasing the revised DRAFT Specific Plan by July 2008, along with the Draft EIR.

### **BACKGROUND**

The 2008 Downtown Specific Plan will replace the 2003 Downtown Design Plan and will provide the General Plan land use designations and policies, as well as the zoning map and development standards for downtown.

The Specific Plan is intended to provide a reality-based strategy for achieving the community's vision for downtown as articulated by the Vision Statement developed for the 2003 Plan. The plan update process to date has included analysis of the existing plan, collaboration with business owners, property owners and developers, preparation of a Preliminary Draft, and obtaining public input on the Preliminary Draft at Community and Stakeholder Workshops. The Plan consultant firm of RBF has partnered with Johnston Real Estate Services to provide information and advice on strategies for retail attraction and retention. Parking consultant DKS Consultants has re-drafted the Parking Resources Management Plan to provide a parking strategy for the new Specific Plan.

### **DISCUSSION**

This staff report will provide information and a staff recommendation for each of the various key components of the Plan for which Council direction is needed in order to define the project for EIR analysis. The discussion is also intended to provide responses to a variety of questions and concerns that have been raised by the Planning Commission and public over the past two months that the Preliminary Draft has been available for public review and comment.

## 1. Considerations regarding Retail Market Demand

Questions have been asked about how much retail space is supportable downtown. Comments have been received that indicate that regulations should be developed to foster a “critical mass” of ground floor space at locations suitable for retail/restaurant uses downtown. Concerns have been expressed about not allowing residential development downtown to take the place of commercial development that makes a downtown “downtown” rather than simply a higher density neighborhood. Concern has been expressed about what would happen if the spaces were constructed but there was insufficient demand by retailers and restaurateurs.

Information about retail market conditions in Morgan Hill is contained in a June 2005 study by Bay Area Economics (BAE) titled “Retail Market Impact Analysis for Proposed Retail Shopping Center in Morgan Hill”. The study documented that within the retail trade area, homeowner rates were high (over 70%), median household income was high (over \$95,000), and that Morgan Hill is well-suited for family-oriented retail geared toward families with moderate to high incomes. The study also documented that Morgan Hill experiences a very low per capita retail sales rate, indicating that residents are shopping elsewhere and sales tax leakage is high. Morgan Hill also had a quite low percentage of restaurants that serve alcohol, 11% rather than the 29% countywide figure, and the study noted that sit-down restaurants and bars may be an under-served niche. The BAE study documented space demand for sit-down restaurants (38,000 sf to year 2010). Chili’s and Red Robin have supplied 25,000 sf of that space, but there is remaining existing and growing demand for sit-down restaurant space. Downtown could be emphasized as the key place for additional restaurants of that type. The study notes that *“as with most downtowns, Downtown Morgan Hill has already changed its market niche as other shopping centers have developed in Morgan Hill, [and is] offering an option for a different kind of shopping/dining/entertainment experience”*.

As of 2005 when the study was done, it was estimated that Morgan Hill could support about 271,000 square feet of additional retail space, with another 107,000 sq. ft. to be supportable by 2010, for a total of 378,000 sq. ft. by 2010. At the conservative rate of 107,000 sq. ft. of additional supportable space every 5 years, the estimated demand is:

2005 Unmet Demand: 271,000 sf

2005–2010 Additional: + 107,000 ⇒ 2010: 378,000 sf total additional supportable from 2005

2010–2015 Additional: + 107,000 ⇒ 2015: 485,000 sf total additional supportable from 2005

2015–2020 Additional: + 107,000 ⇒ 2015: 592,000 sf total additional supportable from 2005

2020–2025 Additional: + 107,000 ⇒ 2015: 699,000 sf total additional supportable from 2005

2025–2030 Additional: + 107,000 ⇒ 2015: 806,000 sf total additional supportable from 2005

The NE Cochrane/101 Morgan Hill shopping center that was approved for about 650,000 total square feet in 2005 has developed about 300,000 sf of that space in Phase One, and to the city’s knowledge the developer is not preparing to activate Phase Two in the near future. Future occupants of that center could include a multiplex theater, large home improvement store, or grocery store, but will most likely be dominated by “power center” national retail tenants in Phase Two, with construction not likely to begin until sufficient tenants commit to leases.

Factors that would argue for a more aggressive scenario and support for a greater amount of retail square footage than shown in the above chart would include such things as double-tracking and increased CalTrain ridership from the downtown station, possible increased city population growth if RDCS is discontinued after Measure C expires in 2020, development of destination/tourist/visitor areas in Morgan Hill which could include an SEQ sports-recreation-leisure regional draw and development of a private high school in the SEQ, and development of other high-profile destination

such as the American Institute of Mathematics (AIM). If the California high-speed rail occurs as an aerial railway in the UPRR right of way, as proposed by the adopted preferred Pacheco alignment, then statewide travelers will gain a view of and knowledge of downtown Morgan Hill as a future tourist opportunity. Revitalization of Downtown Morgan Hill into a unique downtown that attracts visitors and shoppers interested in “lifestyle” shopping, as well as people of all ages who live in new downtown dwelling units, will create support for retailers. A successful downtown will attract also uses and shoppers from other retail areas who are seeking a different and new shopping experience within the “active and unique downtown” niche. The Redevelopment Agency has purchased the Granada Theater and will pursue a project to redevelop and activate the theater use, which will be a draw to downtown. The Redevelopment Agency has made provision of financing for downtown public parking supply a high priority, along with streetscape and other infrastructure improvements to provide a spectacular downtown setting for new developments.

The above discussion could lead one to conclude that downtown Morgan Hill should be redeveloped as quickly as possible, with active involvement of the Redevelopment Agency, so that buildings offering appropriate retail and restaurant spaces are available (along with public parking to serve that space) to “create a downtown that fills the downtown market niche” and absorbs available market demand before that demand is even more fulfilled by traditional sub-regional and community shopping centers elsewhere in the trade area.

The December 2007 Preliminary Draft Plan contained a “2030 Redevelopment Projection”, which presented a possible “net new” square footage of 191,000 of retail/restaurant space by 2030 downtown within Blocks 1 - 18. Page 2-4 of the Preliminary Draft supported redevelopment of Block 20 (“old Albertsons shopping center”) with medium density residential uses to the west and mixed uses to the east of the SCVWD Creek Easement. During public review of the Plan, developers have stated agreement with this concept, and have indicated that a private project could be viable within the 2010-2015 timeframe. Staff has therefore created a projection for Block 20, assuming about 17,000 sf of retail uses along Monterey, and about 90 additional dwelling units on the block, which would be a **net reduction of 73,000 sf of retail**. This change in projections, along with using more specific numbers from Table C-2, removing the “10% Margin” component of the projections (see section 3 below), and projecting office rather than retail space for Block 19 Britton mixed use development (although retail would still be allowed by the zoning), means that the “2030 Redevelopment Projection” would be revised to estimated a potential “net new” square footage of **110,490 of retail/restaurant space by 2030 for Blocks 1 - 20**. To get a sense of how much space that is, it can be compared to the size of the new SuperTarget, which is 124,800 square feet.

The Preliminary Draft Specific Plan emphasizes creation of appropriate spaces for ground floor commercial uses, with that space able to be filled by offices, live/work space, and other uses should retail/restaurant demand be insufficient at the time the space is initially available. This approach addresses the concern about what happens to the space in the interim before market demand is strong enough to absorb all of the space. The idea is that the City requires appropriately-configured spaces as part of mixed use developments, so that when population and “niche success” are achieved, the spaces will be in demand.

#### **RECOMMENDATION #1**

**Staff recommends that the Draft Plan reflect a “net new” retail/restaurant of 110,490 square feet within Blocks 1 - 20, reflecting reduction of existing retail on Block 20, with public parking space need calculations to be based on the projected cumulative total commercial space needs within the downtown core area (Blocks 1 – 14).**

## 2. **Ground Floor Commercial Regulations**

Johnson Real Estate Services was not hired to prepare a market study of the extent of supportable retail space in downtown Morgan Hill. Rather, Mr. Johnson's scope included advising RBF and the City regarding market demographics, analysis of business opportunities, and assessment of building prototypes as they pertain to the projected development program. Mr. Johnson has contributed his expertise within the text of the Preliminary Draft Plan, and he has been particularly helpful in advising regarding minimum retail space depths, and key retail locations, that should be developed in order to create a downtown with viable and sufficient retail spaces in the most important locations. He has emphasized that it will be difficult to attract "national retail tenants" to downtown, but that adding residential population in the downtown area, entertainment uses and office workers; along with Redevelopment Agency assistance with parking, infrastructure and "reducing risk", the downtown can become a vibrant, mixed-use, pedestrian-friendly place.

The City has already implemented the 2003 Downtown Plan requirements for ground-floor retail uses along Monterey Road and Third Street, through creation of a Ground Floor Overlay District which applies to the first 70 feet of building depth. Should there be insufficient market demand, a Downtown Administrative Use Permit can be obtained from the City.

Comments have been received, and staff agrees, that Figure 6 on page 2-15 of the Preliminary Draft is confusing. The blue-striped areas along the Monterey and Third Street frontages is intended to show the location of the Ground Floor Overlay District. The red areas are sites where the retail consultant has advised be included in the "reality-based projection" of sites that could redevelop by 2030, and if so, what the recommended range of ground floor retail depths should be. Staff now believes that the two types should be separated, with a revised blue diagram becoming a zoning overlay district, and the red areas serving as guidelines.

### **RECOMMENDATION #2**

Staff recommends that Figure 6 be revised to show Ground Floor Zoning Overlay District only, with parcels along Monterey between 4<sup>th</sup> Street and Main Avenue to require a minimum retail depth of 60 feet, except that all corners of each intersection would require a minimum retail depth of 80 feet; and parcels along Third Street between Depot and Monterey to require a minimum depth of 50 feet, except that all corners of each intersection would require a minimum depth of 80 feet. A diagram showing the red areas showing the basis for the 2030 retail projections will become an explanatory/guideline exhibit rather than a zoning overlay, which shows areas where more than 50, 60 and 80 feet would be strongly encouraged.

## 3. **2015 and 2030 Redevelopment Projections**

As stated in the Preliminary Draft Plan, city staff and consultants projected the sites most likely to redevelop by 2015 and 2030, based on communications with property owners, condition of buildings, and other factors. The sites selected for the "2015 Redevelopment Projection" have property owners who are actively evaluating and preparing development plans and/or have RDCS allotments. The "2015 Blocks" include Blocks 2, 3, 4, 7, 15, 17 and 18. The sites selected for the "2030 Redevelopment Projection" include the remaining blocks likely to host new development, on Blocks 1, 5, 9, 10, 11, 13, 14, 16 and 19. There is no projected change on Blocks 8 and 12. Block 6 is the Community & Cultural Center, and is not projected for additional development (although it is a potential site for a parking structure over the existing parking lot). Block 18 is the South County Courthouse project; the projection charts do not reflect development because that structure is almost complete and will supply its own parking (79,000 sf offices and 261 parking spaces).



Blocks 19 & 20 are located outside of the downtown plan boundary, but are projected to redevelop to accommodate uses supportive of downtown plan objectives. Block 19 is the Britton site projected to host 27 dwelling units and 25,000 sf office (chart shows retail; to be amended to office). Block 20 projected redevelopment is not yet reflected in the charts, but it is projected that the existing 90,000 sf of commercial and 8 dwelling units will redevelop and be replaced by 17,000 sf of commercial and about 90 residential units. Blocks 19 and 20 would need to supply on-site parking.

The charts in the Appendix also include a “10% Margin” above the development levels projected within Blocks 1 through 18, which is an additional 120 dwelling units, about 25,000 additional retail sf, and about 9,400 additional office square feet. This was done to accommodate the other development that may occur on sites not specifically projected, but within the plan boundaries. If it is instead assumed that projected levels of development on Blocks 1 – 18 are develop at somewhat less intensity than projected, then the excess could also be considered the “flexible” projected square footage that gets developed within the plan boundaries. The staff recommendation is to remove the extra 10% from the projection. In the future, as downtown evolves, additional planning and environmental work can “keep pace” with the evolution.

The point of the above discussion is to explain the methodology and purpose for the “Redevelopment Projections”. The exercise of creating the projections was to define a “realistic order of magnitude” for planning purposes. The projections do not “assign” development potential or limit flexibility of where development may be proposed and approved within the Specific Plan boundaries, if the development is consistent with the land use designation and development standards of the adopted Specific Plan. The projections were made to assist with focusing the ground floor commercial strategy as well as the parking strategy, and to obtain a sense of timing and phasing. Although projections were prepared for both 2015 and 2030 as described above, the 2015 is primarily a guide for assessing how quickly the parking supply must be expanded. It is the intention of the Plan that market forces (and public redevelopment + private partnerships) dictate the actual pace of redevelopment.

The commercial strategy is not intended to simply “respond to and accommodate market demand”, but to indicate where appropriately configured commercial spaces should be located downtown in order to “pull together” and accommodate existing and future space demands, at a level that solidifies the downtown area as a community-sized shopping and activity resource. The average size of a typical community shopping center is about 200,000 sf, but ranges between about 100,000 and 500,000 sf. The amount of retail/restaurant square footage that would exist within Blocks 1 through 20 if development is consistent with the 2030 Redevelopment Projection would be 306,855 square feet, including existing square footage that remains after redevelopment, as well as new square footage in new projects. Additionally, the South County Courthouse and approximately 200,000 sq.ft. of other office/service uses, as well as about 1,400 total dwelling units (existing + future) would be located within the area.

### **RECOMMENDATION #3**

**Staff recommends that the 2030 Redevelopment Projection charts and text be revised to remove the “10% Margin”, that Block 19 be projected for office rather than retail mixed use, and that Block 20 be included within the projections.**

#### **4. Parking Supply Needs, Timing and Locations**

Many comments by business and property owners, Planning Commissioners, and community stakeholders focused on the need to ensure that adequate parking supply is available to the public at

the same time as (or prior to) the time that new buildings are developed and new uses locate downtown. One key comment noted that the calculation of the number of needed spaces was short by 15%, if the goal of the parking program is to supply spaces reflecting 85% occupancy rather than 100%. It is relevant to note that supply based on the 100% occupancy number could be considered a “zoning minimum”, while supply based on the 85% occupancy number could be considered a “desired accessibility” level of parking supply. Another comment questioned whether residential guest parking was included in the recommended 1.5 spaces per dwelling unit.

As previously discussed, the primary purpose of the 2015 Redevelopment Projection was to try to understand a likely pace of downtown redevelopment, so that the pace of constructing additional parking spaces can be managed to ensure that sufficient spaces are added as development occurs. The emphasis of the parking strategy will be on meeting projected 2030 needs based on the 2030 Redevelopment Projection. The premise of the parking strategy is that the Morgan Hill Redevelopment Agency will use its resources to provide parking supply for commercial development, such that private development projects do not need to provide on-site parking for commercial space.

The parking study projected how much parking would be needed by 2030 to meet retail parking requirements within the boundaries of the downtown plan, and also how much additional parking beyond that would be needed to also meet the needs of projected new office space. One of the decisions to be made for the Plan is whether to require office space to provide parking spaces on site, or to have the Redevelopment Agency also endeavor to create sufficient supply to meet both retail and office needs.

The number of additional spaces needed by 2030 for “retail only” is 523 spaces at 100% occupancy and 601 spaces at 85% occupancy; and for “retail + office” an additional 803 spaces are needed at 100% occupancy and 1,097 spaces at 85% occupancy. In order to provide an incentive for and flexibility for use of space for offices, staff supports waiving the on-site parking requirement for offices as well as retail (within the Downtown Core), and provision of public parking supply “in common”. Given the fact that the VTA Caltrain parking lot (476 spaces), South County Courthouse parking lot (261 spaces), and Community and Cultural Center parking lot (232 spaces) are large resources that have not been counted by the Preliminary Draft Plan in the “available common parking supply” calculation, which are likely to be available to the public during peak downtown evening and weekend eating and dining hours, staff recommends that it would be appropriate to plan for something in between 85% and 100%, and proposes use of a 92% occupancy factor for the downtown core to supply both retail and office uses. This results in the need to supply an additional 859 spaces by 2030 (in advance of or concurrent with development).

Based on a specific study of Morgan Hill by the Metropolitan Transportation Commission (MTC) and its own analysis, the parking consultant (DKS) is recommending that residential units provide parking at an overall rate of 1.5 spaces per unit, with no guest parking requirement. This would be a minimum zoning requirement, and private developers could elect to provide more than 1.5 spaces per unit, but the city would allow projects at 1.5 spaces per unit. However, the Preliminary Draft Plan used that rate for all dwelling units, and it may be advisable to modify the requirement for larger and smaller units. In order to ensure sufficient parking and to create a disincentive for 3 and 4 bedroom units downtown, staff suggests that units that exceed 1,350 square feet should be required to provide 2 parking spaces per unit, with no guest parking requirement. A lower requirement could also be supported for small units; for units of 600 sf or less a parking requirement of 1 space per unit is recommended.

There are many opportunities for locating additional parking supply within the downtown core blocks 1 through 14. The City owns Block 6 (CCC) which contains 232 surface parking spaces; that site could be developed with a parking structure which could provide 500 spaces with two levels of parking, and over 700 with 3 levels. The City owns a portion of Block 7, which currently contains 64 spaces and could provide from 120 to 200 spaces with a 2- or 3- level parking structure. The Redevelopment Agency is pursuing a purchase agreement for Block 8 property; that site can provide 100 surface parking spaces in the near term, and 200 or 300 spaces with a 2- or 3-level parking structure. Additionally, some of the large development opportunity sites (e.g. Blocks 3, 4 and perhaps 2) could incorporate underground parking, or even parking structures within block interiors. It can be concluded that there are several publicly-owned sites that can accommodate the required additional 859 spaces of public parking supply, and there are also opportunities for public-private partnerships within redevelopment projects to supply underground or other parking supply resources.

As previously noted, parking resources that are likely to be available to the public but which are not included in the supply projections, include the County Courthouse parking lot, and the public VTA spaces during evenings and weekends, and the Community & Cultural Center spaces when unused by CCC events.

#### **RECOMMENDATION #4**

**Base the parking supply strategy on a 92% occupancy factor for public parking available for both retail and office uses in the Core Blocks 1 – 14 (no on-site parking requirement), based on the revised 2030 Redevelopment Projection. For residential units, require 1.0 spaces on site for units of 600 sf or less, 1.5 spaces on site for units between 601 and 1,350 sf, and 2.0 spaces on site for units of more than 1,350 sf, with no residential guest parking requirement. Prioritize use of redevelopment funds to acquire and improve public parking spaces so that spaces are available prior to occupancy of new developments, and increase public parking supply by at least 500 parking spaces by 2015.**

#### **5. Changes to Preliminary Draft Land Use Recommendations**

During the review and comment period for the Preliminary Draft Specific Plan, suggestions for further refinements of the land use plan (Figure 4 General Plan land use designations and Figure 5 Zoning Designations) have been noted. Some refinements to the commercial space strategy (Figure 6) have been discussed earlier in this report; refinements by block are discussed below.

*Block 1:* GP: Mixed Use. Zoning: CBD. Ground Floor Overlay: The required minimum depth of ground floor commercial is recommended to be 60 feet along Monterey, and 80 feet at each Monterey intersection (therefore minimum 80' x 80' commercial spaces, 6,400 sf, are required on corners)

*Block 2:* GP: Mixed Use. Zoning: CBD. Ground Floor Overlay: The required minimum depth of ground floor commercial is recommended to be 60 feet along Monterey, and 80 feet at each Monterey intersection (therefore minimum 80' x 80' commercial spaces, 6,400 sf, are required on corners).

Retail spaces on side street locations off East 1<sup>st</sup> Street and East 2<sup>nd</sup> Street (shown on Figure 6) are strongly encouraged, with depths of between 80 and 120 feet. Retain/improve Granada Theater as entertainment use. Projected redevelopment site offers potential for parking structure internal to block or underground parking.

*Block 3:* GP: Mixed Use. Zoning: CBD. Ground Floor Overlay: The required minimum depth of ground floor commercial is recommended to be 60 feet along Monterey, and 60 feet along Third Street, and 80 feet at every intersection of Monterey and Depot (therefore, 80' x 80' commercial spaces, 6,400 sf, are required on all four corners of the block).

Retail spaces on side street locations off East 2<sup>nd</sup> Street are strongly encouraged with depths of between 80 and 120 feet. Large projected redevelopment site offers potential for underground parking.

*Block 4:* GP: Mixed Use. Zoning: CBD. Ground Floor Overlay: The required minimum depth of ground floor commercial is recommended to be 60 feet along Monterey, and 60 feet along Third Street, and 80 feet at each Monterey intersection and at the Third/Depot intersection (therefore, 80' x 80' commercial spaces, 6,400 sf, are required on three corners)

Large projected redevelopment site offers potential for underground parking.

*Block 5:* GP: Mixed Use. Zoning: CBD. Not within GFO district.

Retail spaces along Monterey, and at the intersection of East 4<sup>th</sup> Street (as shown on Figure 6) are strongly encouraged, with depths of between 50 and 80 feet.

*Block 6:* GP: Public Facilities (Mixed Use for existing homes). Zoning: PF (CBD for existing homes). Not within GFO.

This block contains the Community & Cultural Center, outdoor amphitheater, Gavilan College building, and Playhouse. The existing surface parking lot containing 232 spaces is a candidate for structured parking which could double or triple the number of spaces available to the public.

*Block 7:* GP: Mixed Use. Zoning: CBD. Not within GFO district.

Retail spaces along East Main Avenue at Depot Street (as shown on Figure 6) is strongly encouraged, with depths of between 50 and 120 feet. Long-term and visitor secured bicycle parking facilities encouraged at city parking lot. Existing surface parking lot planned for parking structure to increase public supply.

*Block 8:* GP: Mixed Use. Zoning: CBD. Not within GFO district.

Existing warehouse and existing lumber yard encouraged to be replaced, when property owners desire and agree, with surface and structured parking spaces to increase public supply.

*Block 9:* GP: Mixed Use. Zoning: CBD. Ground Floor Overlay: The required minimum depth of ground floor commercial is recommended to be 60 feet along Monterey, and 80 feet at each Monterey intersection (therefore, 80' x 80' commercial spaces, 6,400 sf, are required on two corners)

Existing office structure at West 1<sup>st</sup> Street behind Monterey commercial building may be a candidate for retail use, with public parking behind the structure.

*Block 10:* GP: Mixed Use & Multifamily Low. Zoning: CBD & R2, RPD. Ground Floor Overlay: The required minimum depth of ground floor commercial is recommended to be 60 feet along Monterey, and 80 feet at each Monterey intersection (therefore, 80' x 80' commercial spaces, 6,400 sf, are required on two corners)

*Block 11:* GP: Mixed Use & Multifamily Low. Zoning: CBD & R2. Ground Floor Overlay: The required minimum depth of ground floor commercial is recommended to be 60 feet along Monterey, and 80 feet at each Monterey intersection (therefore, 80' x 80' commercial spaces, 6,400 sf, are required on two corners).

Retail spaces on side street locations off East 1<sup>st</sup> Street and East 2<sup>nd</sup> Street (shown on Figure 6) are strongly encouraged, with depths of between 80 and 120 feet.

City-owned parcel at Upper Llagas Creek planned for passive park with creek interpretive element, linking to pedestrian/bicycle pathway over steep hill to Del Monte Avenue.

*Block 12:* GP: Mixed Use & Multifamily Low and Residential Estate. Zoning: CBD & R2 & RE. Ground Floor Overlay: The required minimum depth of ground floor commercial is recommended to be 60 feet along Monterey, and 80 feet at each Monterey intersection (therefore, 80' x 80' commercial spaces, 6,400 sf, are required on two corners)

If property owner pursues a redevelopment project, the existing structure at intersection West 3<sup>rd</sup> Street and Monterey may be a candidate for restaurant development oriented to Upper Llagas Creek open space corridor.

*Block 13:* GP: Mixed Use & Multifamily Medium & Residential Estate. Zoning: CBD & R3 & RE. Not within GFO district. The recommended R3 district replaces the current R2 zoning and increases density from the current maximum of 14 units per acre to a recommended density of 21 units per acre.

Existing residential along Monterey at the south of the block may be candidate for restaurant development oriented to Upper Llagas Creek open space corridor.

*Block 14:* GP: Mixed Use & Multifamily Medium. Zoning: CBD & R3. Not within GFO district. The recommended R3 district replaces the current R2 zoning and increases density from the current maximum of 14 units per acre to a recommended density of 21 units per acre.

Existing development along Monterey is projected to be candidate for redevelopment with offices (about 30,000 sf and residential units).

*Block 15:* GP: Multifamily High. Zoning: R4. Not within GFO district. This block is the site of an approved housing project containing 134 dwelling units; 99 of which have already obtained RDSCS allotments.

*Block 16:* GP: Multifamily High. Zoning: R4. Not within GFO district. This block is the Caltrain parking lot owned by VTA. VTA has expressed interest in pursuing a Transit-Oriented Development high density residential project (the existing number of Caltrain parking spaces would be retained). Given the site size, a 4 story development would be allowed and 186 dwelling units are projected.

*Block 17:* GP: Public Facilities. Zoning: PF. Not within GFO district. This block is the site of the South County Courthouse that is scheduled to open at the end of 2008, and is also the planned site of a Fire Station and a pedestrian plaza connection over the railroad tracks to East Third Street.

*Block 18:* GP: Mixed Use. Zoning: CBD. Not within GFO district.

***Staff recommends change in land use from that presented in the Preliminary Draft:***

**GP: Multifamily Medium & Commercial. Zoning: R3 and CG. No GFO.**

Staff recommends a GP designation of Multifamily Medium for the vacant portions of the site and Commercial for parcels that contain existing commercial uses and along Butterfield Blvd. Similarly, the zoning would be R3 for the residential area and CG for the commercial, which would accommodate restaurant, office and other commercial uses. Commercial uses were not projected in the 2030 Redevelopment Projection, and all uses at this location would be required to provide on-site parking.

*Block 19:* GP: Mixed Use & Public Facility. Zoning: CC-R and PF. Not within GFO district.

***Staff recommends change in land use from that presented in the Preliminary Draft:***

This block will remain Britton School & ballfields, with the Specific Plan allowing for a mixed use development along Monterey in the area of the tennis courts. Staff recommends changing the projection to reflect 27 dwelling units and 25,000 sf of offices (rather than retail). Retail would be allowed by the zoning, but staff believes it is more realistic to project offices rather than retail at this location.

*Block 20:* GP: Mixed Use. Zoning: CC-R. Not within GFO district.

***Staff recommends change in land use from that presented in the Preliminary Draft:***

**GP: Multifamily Medium & Mixed Use. Zoning: CC-R. No GFO.**

Staff recommends a GP designation of Multifamily Medium for the portions of the site west of the SCVWD creek easement, and Mixed Use for the portion of the site east of the creek easement, along Monterey Road. The 2030 Redevelopment Projection assumes that the existing shopping center site, which contains about 90,000 sf of commercial space and 8 dwelling units, is redeveloped with 17,000 sf of ground floor commercial space fronting Monterey Road, and about 90 units within the redeveloped block.

## **RECOMMENDATION #5**

**Revise Figures 4, 5, and 6 to reflect the above-recommended changes to General Plan, Zoning and Ground Floor Overlay provisions as detailed above for Blocks 1 - 20. Also reflect within the discussions of each block the “strongly encouraged” and “opportunity for” statements as detailed in the March 11, 2008 Planning Commission staff report.**

## **6. Density, FAR and Height**

Most public comment to date has been supportive of the recommended density increases in the downtown area, which include shifting to a Floor Area Ratio (FAR) approach in a new Central Business District (CBD) zoning district, generally at 2.0 FAR and 3 story height limit, but 2.25

FAR and a 4 story height limit (with 4<sup>th</sup> floor stepback) for sites of 22,000 sf or larger. While one commenter was skeptical of 4 story heights downtown, other comments have been received that support even greater density/development scale downtown, particularly on the large “landmark” sites. The Preliminary Draft Plan does include a policy statement that PD zoning can be applied for by future developers who propose greater height or more intensive development; this type of project would allow for increased scale, mass and density within downtown core without amendment Specific Plan, if the City Council were to approve the requested PD zoning as being consistent with the intent, goals and policies of the Specific Plan. It should be pointed out that the two key sites that could accommodate greater heights would be on Blocks 3 and 4, between Monterey and Depot. Greater intensity of development on these large key sites could act as a downtown landmark, “pulling” downtown toward a connection with the UPRR ROW and the uses east of the tracks, without interfering with the predominately 2- and 3- story character of development along Monterey Road itself.

One commenter suggested that the CC-R district that applies to areas just outside of the downtown plan boundaries could be increased to more than the proposed 20 units per acre (from the existing 18 units per acre). It should be noted that the text of the CC-R district will need to be revised in conjunction with or to implement the Specific Plan.

#### **RECOMMENDATION #6**

**Retain the FARs and height limits as proposed by the Preliminary Draft Specific Plan within the downtown core, as well as the language that would allow for Planned Development (PD) zoning applications to modify FAR, density and height standards, if determined consistent with the intent, goals and policies of the adopted Specific Plan. Include policy language within the Plan that suggests that two key sites that could accommodate greater heights would be on Blocks 3 and 4, between Monterey and Depot. Greater intensity of development on these large key sites could act as a downtown landmark, without interfering with the predominately 2- and 3- story character desired for development along Monterey Road itself.**

#### **7. Ballot Measure regarding RDCS Provisions for Downtown**

The Preliminary Draft Specific Plan recommends placing a measure on the ballot to propose that voters approve modification of the Residential Development Control System (RDCS) to exempt residential units built within the Downtown Specific Plan boundaries if the projects are determined to be consistent with the Specific Plan. Some public comments have been received stating that the development goals of the Plan can be met without modifying the RDCS to exempt downtown, by establishing downtown set-asides and competition categories. While some public input supports waiving downtown from the RDCS, other input emphasizes that RDCS is an integral foundation for land use within the city, and there should be great reluctance and restraint in proposals to modify it.

Currently, the RDCS is set to expire in 2020, and whether the public or the City place a future measure on the ballot to extend it again is an open question. There are many options for the content of a ballot measure, which should be geared only toward the existing 2020 life of the RDCS. Within the proposed boundaries of the Specific Plan (Blocks 1 – 18) there are 278 allotments that have already been allotted, which means that 803 allotments would be needed for the 2030 Redevelopment Projection of 1,081 units within the plan boundaries. There remain 77 unallocated “Measure F allotments”, which reduces that to 726 allotments. That Projection extends through 2030, ten years beyond the current expiration of the RDCS. The 2015 projection is for 355 units within the downtown plan boundaries, but some commenters have stated that this could be too low. Again, the 2015 analysis was done in order to achieve a sense of how soon parking resources would

need to be provided, and is not intended to either delay or cap development at the 2015 projection. In fact, as previously stated, there is a strong argument that downtown should develop a substantial amount of new commercial space and residential units as soon as feasible, in order to establish a new identity and capture retail/restaurant demand.

There are many options for how to structure a ballot measure. One option is to increase the city's 2020 population cap to accommodate the number of projected units desired to be "exempt". Another option is to retain the existing population cap, and allow downtown housing units to be proposed, approved and constructed completely outside of the RDCS system, with ongoing monitoring to calculate the number of allotments that would be made available in competitions for projects not located in downtown. This option would likely reduce development activity outside of the core, which would be particularly opposed by developers of "ongoing projects", and generally opposed by property owners and developers who have been "waiting their turn" to develop. The approach of Measure F was to make allotments available for downtown housing units (100 units) with flexibility for downtown unit construction for previously-allocated as well as Measure F units. The 2020 population cap was not increased. The measure allowed the City Council to decide whether a competition was required, for the first round the Council did require a competition and that any project was still required to attain a "minimum score".

Considering the above, staff suggests that a measure allowing for 500 Downtown allotments, and an increase in the population cap by 1,000 (based on 2.0 persons per household reflecting smaller unit sizes) could be placed on a future ballot. Staff would recommend that the allotments are only available for mixed use projects providing ground floor commercial space in accordance with the Specific Plan. Staff recommends that the measure not require a competition or be assessed with regard to a "minimum score", in that construction of the project with ground floor commercial space within the downtown core would be presumed to provide community benefit.

In order for a measure to be placed on the November 2008 ballot by the voters, ballot measure language would need to be developed and a petition would need to be circulated very soon to obtain signatures supporting a measure, so that by July 2008 the measure would qualify for the ballot. CEQA compliance prior to the November 2008 vote would not be required. If the City of Morgan Hill were to place a measure on the ballot, the ballot measure language and CEQA would need to be completed by early August 2006.

In order for a measure to be placed on the March 2009 ballot, ballot measure language would need to be developed and a petition would need to be circulated by member(s) of the public and filed by September 12, 2008; or the Morgan Hill City Council would need to create a measure language, complete CEQA, and adopt a resolution by October 27, 2008 (no later than November 11<sup>th</sup>).

#### **RECOMMENDATION #7**

**Staff recommends that a measure allowing for 500 Downtown Core allotments (Main to Dunne, Del Monte to UPRR ROW (Blocks 1 – 14), and an increase in the 2020 population cap by 1,000 (based on 2.0 persons per household reflecting smaller unit sizes) be placed on a future ballot, either by the public or the City Council. Staff would recommend that the allotments are only available for mixed use projects providing ground floor commercial space in accordance with the Specific Plan. Staff recommends that the measure not require a competition or that projects be assessed with regard meeting the RDCS "minimum score", in that construction of the project with ground floor commercial space within the downtown core would be presumed to provide community benefit.**

## 8. Downtown Affordable Housing and Housing Element RHNA

The current Regional Housing Needs Allocation for Morgan Hill for the 2007 – 2014 period (which must be addressed in a Housing Element update due June 30, 2009) totals 1,329 units, distributed by income level as shown in the following chart. The chart also shows how the State Department of Housing and Community Development (HCD) has related residential density ranges to income levels (Capitola Housing Element, certified 2004), and how Morgan Hill's density ranges fit into income and density categories.

<i>Income Category</i>	<i>RHNA Allocation</i>	<i>HCD Density to Income Correlation</i>	<i>Morgan Hill Zoning District Density Ranges</i>
Very Low (< 50%)	321	> 25 – 35 + units per acre	CBD, R4, some PDs
Low (< 80%)	257	> 15 – 25 units per acre	CC-R, CL-R, R3
Moderate (< 120%)	248	> 10 – 15 units per acre	R2
Above Moderate (> 120%)	508	< 5 – 10 units per acre	R1, RE

2007 area median income is estimated to be \$105,000 for a 4-person family. HCD published 2007 income limits by household size, consistent with HUD methodologies, as follows:

Number of Persons In Household:		1	2	3	4	5	6	7	8
Adjustments:		70%	80%	90%	Base	108%	116%	124%	132%
Santa Clara County Area Median Income: \$105,000	Extreme Low	22,300	25,500	28,650	31,850	34,400	36,950	39,500	42,050
	Very Low	37,150	42,450	47,750	53,050	57,300	61,550	65,800	70,050
	Lower	59,400	67,900	76,400	84,900	91,650	98,450	105,250	112,050
	Median	73,900	84,400	95,000	105,500	113,900	122,400	130,800	139,300
	Moderate	88,600	101,300	113,900	126,600	136,700	146,900	157,000	167,100
	Above Moderate:	above the moderate income levels by household size							

The new CBD district proposed a general FAR of 2.0, with no density limit. An FAR of 2.25 is proposed for sites of 22,000 sf or more. Residential density levels within this FAR will depend on unit sizes as well as whether commercial uses locate on second or third floors, or whether all upper floors are residential. Projected residential density levels within the FAR district are between 25 and 45 units an acre, and densities could reach up to 60 units or more per acre on the larger sites. Occupancy of the units by rental households would tend to increase the likelihood that the households are very low, lower and moderate income households.

The existing R4 district allows between 25 and 40 units per acre. PD zoning provisions allow owners and developers to modify development standards, which could include increases in density.

The CC-R district is recommended to increase from the existing maximum 18 units per acre to 20 units per acre. The existing CL-R (Light Commercial-Residential District along Upper and Lower Monterey Road areas) allow a maximum of 18 units per acre.

All zoning districts are eligible for density bonuses for provision of deed-restricted affordable units.

The above analysis demonstrates that downtown housing units have the potential to meet some of the city's RHNA for very low, low and moderate income units, even if they are not deed restricted units available only to income-qualified households. The potential will be enhanced if units are available to renters rather than owner-occupants. If one-half of the 2030 projected 681 units within Blocks 1 – 14 are occupied by renters, that would be 340 units, which is almost 60% of the total very low and low income RHNA of 578 units. Renters downtown would be expected to include lower income young single persons, older persons no longer in the workforce, empty nesters, and so



forth. In order to create an incentive for rental housing and recognize its likely occupancy by households at or below moderate income, a requirement for deed-restricted affordable units is not recommended. However, in order to ensure that downtown housing production is consistent with California Redevelopment Law intent and requirements that 15% of housing units within project areas be available to persons at or below moderate income, staff recommends that a 15% inclusionary housing requirement apply to for-sale housing projects, with ongoing deed restrictions.

#### **RECOMMENDATION #8**

**Modify affordable housing requirements for downtown core projects (RDCS and any inclusionary housing requirements adopted in the future) so that rental unit projects are exempt from the requirements, but that 15% of owner-occupied, for-sale housing units must be affordable to households at or below moderate income, with those units to be deed-restricted.**

#### **9. Monterey Road**

The Preliminary Draft Specific Plan proposes (as did the 2003 Plan) narrowing Monterey Road from the existing four lanes, to two vehicular lanes. This proposal is currently being studied by the Master Transportation Impact Analysis, with results to be presented in the EIR on the Downtown Plan. In that the Redevelopment Agency will be pursuing completion of the Butterfield Blvd North and South Connections, as well as the Santa Teresa-Hale Corridor, it may be feasible to shift one lane in each north/south direction to those alternative north-south parallel routes. The advantages of having only two vehicular lanes downtown are that the street becomes much more pedestrian-friendly, and people rather than cars are the focus of the Monterey right of way. Options for use of the public right-of-way include further widening of sidewalks, addition of bike lanes (or use of sharrows), and/or construction of angled parking to increase on-street supply. With only two travel lanes, the median would not be necessary, and pedestrians would have only a short distance to cross the street. If determined to be feasible and if the two-lane proposal is adopted, a future streetscape planning process would occur, with public participation, to decide on the use of the right-of-way.

Most comments to date support this concept, but many people have commented that it should be implemented on a temporary trial basis prior to a final decision to implement the project. The EIR that is scheduled to be released in July 2008 will contain the information regarding feasibility.

#### **RECOMMENDATION #9**

**Retain the Specific Plan proposal to narrow Monterey Road from 4 to 2 lanes, and direct the Master Transportation Impact Analysis and Circulation Element Assessment to determine the feasibility of the concept and what roadway improvements are necessary prior to implementation of the narrowing, to shift Monterey traffic to parallel north-south routes. Also, emphasize in the Specific Plan that the lane reduction will be implemented on a temporary trial basis prior to a final commitment to the project.**

#### **10. Plan Boundaries**

The 2003 Downtown Plan boundaries extended from Dunne to Main, and from Del Monte to Butterfield. The boundaries in the Preliminary Draft match the 2003 boundaries. Both the 2003 Plan and the 2008 Specific Plan include recommendations for land use changes outside of the boundaries. To implement 2003 Plan recommendations a new CC-R (Central Commercial-Residential) zoning district was established within the downtown core as well as on blocks outside of the plan boundaries, and a new CL-R (Light Commercial-Residential) was established on Upper and Lower Monterey Road parcels. In 2004/05 the City Council adopted a "Downtown RDCS"

boundary that extended further north and south: generally to West Central along the north and Biscelgia to the south, which was used to define the downtown RDCS competition boundaries for 2004/05.

The proposed 2008 Specific Plan includes recommendations for Blocks 19 and 20 outside of the plan boundaries, and some comments have been received that those blocks (and perhaps others) should be included within the Specific Plan boundaries. Staff recommends retaining the existing boundaries, but processing and adopting the land use changes that are recommended for Blocks 19 and 20, including for the CC-R zoning district, concurrent with the Specific Plan, including analysis by the EIR. The reasons for NOT extending the boundaries to include Blocks 19 and 20 and others, is that those blocks will be required to provide all required parking on site, and that the recommended ballot measure to waive the RDCS competition for projects within the plan boundaries is intended to provide an incentive for downtown core development of mixed use projects, rather than for the “supportive” blocks.

**RECOMMENDATION #10**

**Staff recommends retaining the existing boundaries, but processing and adopting the land use changes that are recommended for Blocks 19 and 20, and the CC-R zoning district, concurrent with the Specific Plan; including analysis by the EIR.**

**11. Refinement of Other Zoning District Development Standards and Miscellaneous Plan Modifications**

Comments have been received about the need to refine development standards in the various zoning districts that apply to downtown and are contained with the Specific Plan. There is also a need to cross-reference and/or address which other Municipal Code and Zoning Ordinance chapters continue to be in effect for downtown developments. Staff agrees that these should be thoroughly reviewed for appropriateness within the downtown context. In that density itself would not be modified, the EIR work can proceed without total clarity about each of these refinements, and staff would propose to continue to work on those items through June 2008, with the goal of publishing the revised Draft Specific Plan along with the Draft EIR in July.

Comments have also been received about the need to strongly support shift of the bus route from Monterey to Depot, include more regarding multi-modal transportation, to address the potential for the California High Speed Rail Project to go through downtown in the future, and so forth.

**RECOMMENDATION #11**

**Staff recommends that the Planning Commission support and the City Council authorize staff to continue to make plan refinements that would be incorporated into the revised Draft Downtown Specific Plan, which would be published and available to the public at the same time as the Draft EIR is available for public review and comment in July 2008.**

A summary of staff recommendations is presented on the following two pages.



## Memorandum

**Date:** JANUARY 5, 2007

**To:** ED TEWES, CITY MANAGER

**From:** BUILDING ASSISTANCE AND HOUSING SERVICES DEPARTMENT  
COMMUNITY DEVELOPMENT DEPARTMENT

**Subject:** DOWNTOWN PLANNING HISTORY

In response to your request, the following summarizes the history of downtown planning and zoning changes that have occurred, as well as activities in which the City has been involved in an effort to stimulate the type of development envisioned in the Downtown Plan.

**1980 Downtown Design Plan.** The Downtown Design Plan, which was adopted in July 1980, outlined a series of actions to assist with the revitalization of the downtown area. Prior to the development of Highway 101, Monterey Road was the major north/south roadway through the City. One of the challenges for the plan was to create a more pedestrian oriented scale on this 110 foot wide street. In addition, the plan also included design guidelines, sign criteria, suggestions for landscaping, street furniture and a cost estimate to implement the proposed public improvements. In response to recommendations contained in the original Downtown Plan, during the 1980's and early 1990's, the Redevelopment Agency invested over four million dollars in streetscape and parking improvements. These improvements included brick-paver sidewalks, crosswalks, and raised planters, new curb and gutter, street trees, trash receptacles, and decorative lighting. Because the streetscape improvements resulted in the loss of some street parking, the Agency developed several off-street public parking lots. One of the lots is owned by the Agency, while others are leased from individual property owners. The Agency also developed a 64-space Caltrain park-and-ride lot and a small train depot building to house a concession stand.

**2003 Downtown Plan Update.** The Downtown Plan was updated in 2003 with the assistance of a 17 member task force comprised of a diverse group of stakeholders and community advocates. Membership included property and business owners, as well as residents of downtown, affordable housing advocates, members of the Planning Commission, Bicycle and Trails Advisory Committee, City Council and Redevelopment Agency members, local architects, representatives of the Chamber of Commerce and the Morgan Hill Downtown Association, housing and commercial developers, and a commercial real estate broker.

Since completion of the Downtown Plan update, the City has made significant progress in implementing its recommendations. Some of the more notable achievements include the following:

- **Density.** A majority of the downtown is within the Mixed Use General Plan designation and is zoned Central Commercial, Residential District (CC-R), which allows housing as a permitted use at a rate of one dwelling per 2,400 square feet of lot area (a maximum density of 18 units per acre). Pursuant to the Downtown Plan recommendations, the City has changed the General Plan designation on three mixed use opportunity sites to allow a density range of 25-40 units per acre. Additionally, two other sites were redesignated/rezoned from commercial and industrial uses to mixed-use and multi-family residential-high density to allow additional residential uses in close proximity to the commuter rail station.
- **Measure C Modifications.** The RDCS criteria has been significantly overhauled to allow downtown and small vertical mixed use projects to better compete for allocations. Last year's competition was held only for downtown projects with allocations extended into fiscal year 09/10. Over the past two years, nine projects with a total of 363 units have received allocations either within or in close proximity to the downtown. It should be noted that ground floor commercial space within these projects total approximately 57,000 square feet.

**Measure F.** Last November, voters approved a ballot measure (which modified RDCS) to allocate 100 additional units for projects of 25 units or less in the downtown core (defined as the area bordered by Main Street to the north, the railroad tracks to the east, Dunne Avenue to the south and Del Monte Avenue to the west). The measure also allows projects with allocations spread out over multiple years to advance the timing of construction.

- **Ground Floor Use Restrictions.** One of the policies of the 2003 Downtown Plan is to encourage retail, restaurant, entertainment, and service commercial businesses on portions of Monterey Road and Third Street in an effort to enhance the pedestrian character of downtown. Accordingly, in 2004 the CC-R zoning district was amended to restrict certain non-retail uses in ground floor locations. In particular, office and personal service uses became conditionally permitted requiring a Conditional Use Permit (CUP). Shortly after these code amendments went into effect, building owners and potential tenants expressed frustration at the time and expense required to comply with the CUP requirement for certain buildings and locations downtown.

In the fall of 2005, the City Council adopted code amendments which streamlined the process for conditional uses in the CC-R District by establishing a Downtown Administrative Use Permit process. Following approval of the ordinances, the Council directed staff to work with the Downtown Association on some follow-up amendments that would focus the "ground floor retail restricted area" to the area between Main and Dunne, excluding certain buildings that were designed for office use. This was accomplished in November of 2006 through the creation of a Ground Floor Overlay District that applies to portions of Monterey Road and Third Street. This new district encourages retail, restaurant and entertainment uses and discourages office and non-retail uses. It is also worthy to note that 64 properties located to the north and south of downtown were recently rezoned to Light Commercial-Residential (CL-R), which include office and other non-retail uses as principally permitted. This should help to alleviate some of the demand for retail space by non-retail uses in the downtown core.

- **Infrastructure.** The Downtown Plan calls for Depot Street to be improved with landscaping and enhanced sidewalks to serve as a strong pedestrian link between the commuter rail station and the Community Center to the south; and residential areas to the north. Similarly, the Downtown Plan calls for Third Street to provide a direct link between Depot Street/commuter rail station and Monterey Road.

In 2004, the City received a \$2.6 million grant from the Metropolitan Transportation Commission (MTC) for the Depot Street project consisting of new pavement, curb and gutter, sidewalks, decorative street lights, benches, public art, landscaping, and storm drain improvements along this five block downtown street. The project is currently under construction and is expected to be completed in early 2007.

The City recently received a \$1.7 million grant from MTC for the Third Street Promenade project consisting of new pavement, curb and gutter, wide colored concrete sidewalks with matching crosswalks at intersections and a mid-block crossing, removable bollards for street closures, pedestrian scaled street lighting with banner hardware, decorative planters and large canopy street trees, and street furniture. The required city match is \$325,000. A timeline for construction will be finalized following receipt of grant funding deadlines from MTC.

The City has also installed some traffic calming measures in downtown.

- **Parking.** The Downtown Plan calls for changing parking requirements in order to stimulate development in the downtown area. The suggested changes were to eliminate the on-site parking requirement for commercial use (1 space per 250 square feet) and to eliminate the guest parking requirement for residential uses (1 space per 4 units).

In 2004, the Planning Commission and City Council considered an ordinance to accomplish these suggestions, but the ordinance was not adopted at that time because it was decided that a downtown parking management plan should first be prepared to ensure parking supply and demand factors were studied, and measures/actions identified to ensure that long-term parking needs would be met downtown as it develops.

The Planning Commission reviewed a draft downtown parking management plan in June of 2005. At the meeting, the consultant acknowledged that the Plan represented a “best case scenario” based on various assumptions, which concluded that parking downtown would be adequate during the 2025 planning period. The consultant then presented revised information based on a different set of assumptions (more downtown development), which was termed the “worst case scenario”. That scenario revealed that parking would be at 85% occupancy by 2007 and 100% occupancy by 2008. Both staff and the Planning Commission were of the opinion that that the projected scenario should be somewhere in between, but that more work needed to be done on the parking management plan to identify realistic assumptions, determine the actual projected loss of on-street parking due to Third Street and Depot Street improvements, and identify strategies for increasing and improving the public parking supply.

In July of 2005, the City Council adopted amendments to the parking ordinance that allow for commercial and residential guest parking exemptions for Measure C allocations awarded and commercial site review approvals obtained on or before March 1, 2007. This allowed for two years worth of competitions to occur, while the City and Redevelopment Agency work toward defining a more comprehensive strategy and funding, for increasing and improving the downtown parking supply. The parking management plan will be finalized in conjunction with an update of the Downtown Plan this year.

It should be further noted that the Metropolitan Transportation Commission (MTC) selected Morgan Hill as one of eight Bay Area cities to participate in a study of how to reform parking policies to support smart growth around transit hubs and town centers. The case study is expected

to be completed in 2007 and will include information useful in the update of the Downtown Plan.

The attached table more fully documents the status of the implementing activities of the current Downtown Plan and is keyed to the Implementation Strategy chapter.

Other activities of interest related to the downtown are as follows:

- ***Façade Improvement Program.*** In an effort to improve the exterior appearance of commercial buildings and properties within the Redevelopment Project Area which includes the downtown, in 1991 the Building Assistance and Housing Services Department developed a Façade Improvement Program. The program currently provides up to \$4,000 for architectural/design work and full reimbursement for City Site Review fees, and 50-percent rebates for exterior property improvements up to a fixed amount. Recent examples of businesses that have benefited from the program include *Rosy's At The Beach*, *Poppy's Fish Market*, *Maurizio's*, *Mama Mia's*, *The Granary* and *Ragoots*.
- ***Outdoor Dining Policy.*** In an effort to implement the vision of a revitalized downtown, in 2001, the City Council amended Title 12 of the Municipal Code (Streets, Sidewalks and Public Places) to include special regulations to allow sidewalk cafes. Specifically, the ordinance provides a list of criteria and establishes a permit process for this type of use. Some of the current restaurants that have taken advantage of this ordinance include *Rosy's At The Beach*, *Ragoots*, *Maurizio's*, and *Main Street Bagel*.
- ***Downtown Request for Proposals (RFP) Process.*** In 2002, the Redevelopment Agency solicited RFP's for projects to enhance downtown. The projects that received funding commitments include the Gunter Brothers mixed use project, the façade and tenant improvements to the old Granada Theater and the Art Guild.
- ***Commercial Conversions.*** A three year impact fee exemption was adopted by the City Council in October of 2003. Although it has recently expired, this pilot program exempted residential to commercial conversions and business expansions in the downtown area from paying impact fees. The City also administratively adopted a fire mitigation policy to allow for smoke monitoring systems in lieu of fire sprinklers for residential conversion to office/retail uses.
- ***Property Based Improvement District (PBID).*** Last July, the City Council adopted a PBID for downtown. The total PBID assessment is \$75,000/year, which is assessed on a prorata basis to all properties within the downtown area bordered by Butterfield Boulevard, Dunne, Del Monte, and Main Avenues. The purpose of the PBID is to maintain and enhance the core downtown area. The City/Redevelopment Agency share of the assessments is about \$23,000 annually.
- ***Commercial Rehabilitation Loan Program.*** The Redevelopment Agency adopted the Commercial Rehabilitation Loan Program on July 26, 2006. The program is only available in the downtown area as defined by the PBID boundaries. The program provides low interest financing up to \$100,000 to businesses wanting to rehabilitate an existing building in downtown. *Booksmart* used funding from this program to install tenant improvements.
- ***Redevelopment Agency Assisted Projects.*** The Redevelopment Agency facilitated the conversion of the old police station into a brewpub/restaurant, renovation of the former granary building, and the development of the County Courthouse in downtown.

- ***Redevelopment Plan Amendment.*** The entire downtown area is located within the Redevelopment Project area. In November of 2006, the Redevelopment Agency amended the Redevelopment Plan. Among other things, the Plan Amendment increased the Agency's tax increment cap and reauthorized bonding. One of the goals of the Plan Amendment is to focus on projects needed for economic development, rehabilitation and infrastructure, particularly in the downtown.
- ***Downtown Plan Update.*** Although the existing Downtown Plan's policies and guidelines are still very relevant, the numerous development projects either under construction or soon to be and a Redevelopment Agency poised to invest in the downtown have created the need to re-visit and once again update the Downtown Plan. These projects include 363 housing units, 57,000 square feet of commercial space, a new County courthouse, and major infrastructure projects underway (Depot Street and the Third Street Promenade). In December of 2006, Community Development Department staff released request for proposals to land use consultants, as well as commercial leasing specialists, with the expectation that the update will include strategies that will address redevelopment goals of retail use recruitment/retention and economic revitalization for this area of the City.



**MEMORANDUM**

**To: PLANNING COMMISSION**

**Date: May 26, 2009**

**From: COMMUNITY DEVELOPMENT DEPARTMENT**

**Subject: 2<sup>nd</sup> Carbon Diet Club**

**REQUEST:** Commissioners to discuss greenhouse gas emissions calculations, action plans and provide an oral report on their progress with first half the Low Carbon Diet Workbook (up to page 22.)

**BACKGROUND:** On May 12<sup>th</sup>, 2009 the Planning Commission formed a Carbon Diet Club. Environmental Program staff provided each Commissioner with a carbon diet toolkit. The Commissioners were asked calculate their annual greenhouse gas emissions and find ways they could reduce 5,000 pounds of their annual household emissions using the “Low Carbon Diet” workbook. In order to complete the program, the Commissioners need to implement their action plans and attend three Carbon Diet Club meetings. The meeting tonight is considered the 2<sup>nd</sup> meeting.

**PROJECT DESCRIPTION:** The purpose of the second Carbon Diet Club meeting is to discuss each Commissioner’s greenhouse gas emission calculations and action plan to reduce at least 5,000 pounds of those emissions. Environmental Programs staff will facilitate the discussion and will go over the next section of the Low Carbon Diet workbook that deals with efficient household systems for the final Carbon Diet Club meeting.

**RECOMMENDATION:** Continue with the Carbon Diet Club by attending the 2<sup>nd</sup> meeting.